UTAH

AIR QUALITY BOARD

Meeting June 1, 2005



Department of Environmental Quality
Division of Air Quality

File



State of Utah

Department of Environmental Quality

Dianne R. Nielson, Ph.D. Executive Director

DIVISION OF AIR QUALITY Richard W. Sprott Director

Air Quality Board
John M. Veranth, Chair
Ernest E. Wessman , Vice-Chair
Jerry D. Grover
Scott Hirschi
James R. Horrocks
Dianne R. Nielson
Richard R. Olson
Wayne M. Samuelson
JoAnn B. Seghini
Marcelle Shoop
Jeffery K. Utley
Richard W. Sprott,
Executive Secretary

JON M. HUNTSMAN, JR.

Governor

GARY HERBERT Lieugenant Governor

DAQ-030-2005

UTAH AIR QUALITY BOARD MEETING

Work session will be held prior to discuss the DAQ 101 $12-1~{\rm pm}$ 168 North 1950 West (Bldg #2) Room 101

FINAL AGENDA

Wednesday, June 1, 2005 1:30 p.m.

168 North 1950 West (Bldg #2) Room 101

- I. Call-to-Order
- II. Date of the Next Air Quality Board Meeting: July 6 and August 3 at 1:30 p.m.
- III. Approval of the Minutes of April 13, 2005, Board Meeting.
- Motions to Stay in IPP and Sevier Power appeals. Presented by: Fred Nelson
- V. Scheduling of Proceedings in IPP and Sevier Power appeals. Presented by: Fred Nelson
- VI. Modification of DAQE-AN1386012-04 by Adding Carbon Fiber Production Process Equipment Items. Presented by: Rusty Ruby
- VII. Propose for Public Comment: Amend R307-150 to Add Requirement to Report Emissions of Tertiary Butyl Acetate. Presented by: Jan Miller
- VIII. Propose for Public Comment: Amend R307-101-2, Definition of "Clearing Index." Presented by: Tyler Cruickshank
- IX. Informational Items.
 - A. Election of Board Chair and Vice Chair. Presented by: Rick Sprott
 - B. Power Forward Program. Presented by: Rick Sprott
 - C. Compliance. Presented by: Jeff Dean
 - D. HAPS, Presented by: Bob Ford
 - E. Monitoring. Presented by: Bob Dalley



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> > DAQ-030-2005

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MINUTES

UTAH AIR QUALITY BOARD MEETING June 1, 2005 MINUTES

Call to Order.

John Veranth called the meeting to order at 1:35 p.m. He welcomed Mr. Stead Burwell, a new Board member.

Board members present:

Nan Bunker Jim Horrocks Marcelle Shoop
Stead Burwell Wayne Samuelson John Veranth
Jerry Grover JoAnn Seghini Ernest Wessman

Executive Secretary: Richard W. Sprott

II. Next Meeting.

July 6, 2005, August 3, 2005, and September 7, 2005.

III. Minutes.

Page 1, item III. Minutes, reword the approval of the minutes to read: • "Mr. Wessman moved that the minutes be approved as corrected."

Page 3, paragraph 7, there was a question on the motion that Wayne Samuelson moved on. The motion is to set the schedule for this meeting. It should read: "Wayne Samuelson moved to set the schedule at the June 1, meeting."

Page 4, paragraph 3 and 5, Ms. "Joro" should be Ms. "Walker."

Page 4, paragraph 4, reword the sentence to say: "Ms. Walker stated that the request was that the proceeding of IPP and Sevier Power matters should both be stayed."

Page 5, item VII. Informational Items, paragraph 2, first sentence which states: "...articles in the newspaper concerning mercury emissions from coal mines," the word "coal" should be "gold" mines.

 Ernie Wessman moved to approve the minutes as corrected. Wayne Samuelson seconded. JoAnn Seghini abstained and the rest of the Board approved unanimously.

IV. Motion to Stay in IPP and Sevier Power Appeals. Presented by: Fred Nelson.

John Veranth introduced Fred Nelson from the Attorney General's office. Mr. Nelson stated that in 2004, the Executive Secretary issued a permit to build IPP Unit #3 and the Sevier Power Company to build a coal-fired power plant down by Sigurd. The Sierra Club appealed both permits and the Sevier Citizens appealed just the Sevier Power Company permit. The Board approved and granted the petition of the Sevier Citizens Company to intervene. The Board heard the motions to intervene by the Sierra Club in both

the Sevier Power Company permit and the IPP Unit 3, and denied both motions. Sierra Club has filed motions with the Appellate Court on the Board's decision not to allow the club to intervene in IPP and Sevier Power. The Sierra Club is asking the Board for a motion to stay the proceedings in the IPP matter and a motion to stay the proceedings in the Sevier Power Company matter until the Appellate Court makes a decision. Mr. Nelson introduced the four parties who were involved with this motion. The four groups, the Sierra Club, IPP, Sevier Power Company and the Executive Secretary gave brief presentations to the Board.

Emie Wessman recused himself from the entire agenda item. A transcript of this action item is attached for the Board. The motions for this item are included below.

- Jim Horrocks moved that based on the four criteria items that the Sierra Club needed to satisfy, he did not believe they had met the criteria. Therefore, he moved that the Board deny the Sierra Club's motion to stay on both the IPP and the Sevier County Power Plant. JoAnn Seghini seconded. Those in favor: Jim Horrocks, Wayne Samuelson, Jerry Grover, JoAnn Seghini, Marcelle Shoop, and Nan Bunker. Opposed: Stead Burwell. Not Voting: John Veranth. Ernie Wessman recused himself.
- V. Scheduling of Proceedings in IPP and Sevier Power Appeals. Presented by Fred Nelson.
- Jerry Grover moved that the proceedings in the IPP Appeals continue until the parties
 involved set a date to bring the matter before the Board. The motion was seconded. The
 Board approved unanimously.
- Jerry Grover moved that the proceedings in the Sevier Power Appeals continue until the
 parties involved come back to the Board next month. Wayne Samuelson seconded and
 the Board approved unanimously.
- VI. Modification of DAQE-AN1386012-04 by Adding Carbon Fiber Production Process Equipment Items. Presented by: Rusty Ruby.

Mr. Ruby explained that the Hexcel Corp. had requested a modification to establish a new carbon fiber production process line at the West Valley Plant. The new equipment will increase the State Implementation Plan (SIP) listed potential to emit limits associated with their operation. They have also requested to modify the SIP listed production limits. However, the emissions from the source would be below the threshold for the new proposed PM10 maintenance plan so it would no longer be a SIP source. During the public comment period, no comments were received. The staff recommends that the Air Quality Board approve this request for this modification.

- Ernie Wessmen moved that the Board approve the modification. Marcelle Shoop seconded. The Board approved unanimously.
- VII. Propose for Public Comment: Amend R307-150 to Add Requirement to Report Emissions of Tertiary Butyl Acetate. Presented by: Jan Miller.

Ms. Miller reported that at the April Board meeting there was a proposed rule change that defined volatile organic compound (VOC) to excluded 5 compounds, one of which was

called Tertiary Butyl Alcohol (TBAc.) Staff was asked why inventory information was not being collected separately on TBAc. After discussion, staff has drafted a rule for the Board's consideration. This rule would go into inventory rule and not definitions. Currently, EPA is working on a revision and is expected to make a change later this year to its methodology for determining what substance should be exempted from the definitions of VOC. Also, there are no sources that would be reporting if they were required to do so. Staff recommends that the Board wait until the new EPA rule is in place.

- Ernie Wessman stated that given the fact that there are no sources that are adding any
 TBAc in the state, it is recommend that the Board accept the staff's recommendation and
 not accept the change in the language at this time. Nan Bunker seconded and the Board
 approved unanimously.
- VIII. Propose for Public comment: Amend R307-101-2, Definition of "Clearing Index." Presented by: Tyler Cruickshank.

Mr. Cruickshank explained how the Clearing Index worked. It describes how well a pollutant or smoke is released from the ground level and disperses in the air. It is calculated using the forecast mixing height and wind speed within the lower atmosphere. For example, a low mixing height would create an inversion. A higher mixing height disperses smoke more efficiently. The Clearing Index is an important criteria in the open burn rule and some approval orders.

In the early 1970's, the Division of Air Quality and the National Weather Service formulated the Clearing Index. Three air sheds were identified in the state. The western and eastern sides, and all elevations above 6,000 feet. With improved technology in computer forecasting by the National Weather Service, the state can now be divided into 2.5-kilometer grids. The new system will maximize burning opportunities, but will minimize the impact on air quality at the same time. Staff has made a web site available, and the National Weather service would maintain the site.

(www.airquality.utah.gov/presentation/boardMeetingCI-large.htm)

• Ernie Wessman moved to propose for public comment to amend R307-101-2, Definition of "Clearing Index." JoAnn Seghini seconded and the Board approved unanimously.

IX. Informational Items:

- A. Election of Board Chair and Vice Chair: Presented by Rick Sprott.

 Feed back from Board members indicated that July would be an acceptable month for elections.
- B. Power Forward Program: No questions.
- C. Compliance: No questions.
- D. HAPS: No questions.
- E. Monitoring: Presented by Bob Dalley.The graphs in the packet showed no exceedences.

JoAnn Seghini mentioned that she was impressed with the newspaper article on the ozone and the degree of technology that allows more sensitivity to the needs of people. Mr. Sprott responded that Mr. Dalley and his people were responsible for that.

Meeting adjourned: 3:45 pm

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PROCEEDINGS

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THE CHAIR: We are now to Item 4. Motion to Stay in the IPP and Sevier Power appeals. Fred Nelson.

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MR. WESSMAN: Mr. Chairman, because of my involvement with PacifiCorp, I'll have to recuse myself from the discussion.

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THE CHAIR: Thank you.

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MR. NELSON: The -- just to remind the Board the status of this matter. Several months ago, in the fall of 2004, the Executive Secretary issued a permit to IPP to build Unit No. 3. And also a permit to Sevier Power Company to build a coal-fired generation power plant down by Sigurd.

Those permits were appealed to the Board by the Sierra Club and by a citizens' group. Sierra Club appealing both permits, and the citizens' group appealing just the Sevier Power Company permit.

Part of the rules of the Board is that the Board is required to grant intervention and establish standing for parties in order to proceed. And the Board heard the motions to intervene -- of the Sierra Club to intervene in both the Sevier Power Company proceeding and the IPP proceeding, and the Board denied those motions. And orders were issued with respect to those.

The Board also granted the -- approved and granted the petition to intervene in the Sevier Citizens' Group. At the time that the orders were being considered by the Board, the Sierra Club filed motions to stay. Motions to stay the proceedings until they have appealed the decision on the petitions to intervene to the appellate court.

The Sierra Club has filed those petitions to have those decisions of the Board reviewed. And is now before the Board to ask that they -- the Board stay proceedings until that review has happened. So that, that is the issue today.

There, there are two motions. The motion stay the proceedings in the IPP matter. And the second motion is the motion to stay the proceedings in the Sevier Power Company matter.

My suggestion to the Board is that we handle this consistent with the way we did the motions to intervene. That you've had the pleadings, and you've had a chance to review those pleadings. There are four interested groups in this matter: There's the Sierra Club, IPP, Sevier Power Company, and the Executive Secretary.

Those are the four that filed pleadings. And my suggestion is is that you hear a short oral

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As far as an order, it would be appropriate to have the Sierra Club go first, followed by Sevier Power Company, and IPP, and then finally with the Executive Secretary. And then if there are any questions of the Board or comments, you can deal with those at that point.

THE CHAIR: All right. Ms. Walker, would you like to come up?

And for the benefit of the court reporter, we all need to be -- attempt to speak clearly and distinctly. And if you are having trouble hearing or if the microphones aren't working, please just flag and I'll ask to have it repeated.

THE COURT REPORTER: Thank you.

MS. WALKER: I'm Joro Walker, representing the Sierra Club and the Grand Canyon Trust. Fred, how long do I have, and can I reserve time for rebuttal?

MR. NELSON: Well, I used the word "short" hoping we -- we did 10 minutes before, when we had extensive pleadings. I don't know. The Board probably needs to set -- if you want to set a time, you can. Or you can just rely on counsel to be appropriate. It's up

1	to the Board.
2	THE CHAIR: Rely on people to be
3	appropriate?
4	MS. WALKER: Okay, appropriate. Do I have
5	time for rebuttal, though?
6	MR. NELSON: That would be, that would be
7	what would be normally an appropriate process.
8	MS. WALKER: Okay. Okay, thank you. To be
9	clear, and I think Fred explained this well, is that
10	we're asking for the two proceedings to be stayed while
11	our appeal or our petition is heard by the Court of
12	Appeals. The State Court of Appeals.
13	As you are aware, there's a, a four-part
14	test that are written into the rule the relevant
15.	rules that's been given to you by every party. So I'm
16	going to explain the factors that I think suggest that
17	there's a compelling reason, under that four-part test,
18	that you stay those proceedings.
19	And the first one is that it's the job of
20	the Utah courts to determine standing. As, as the
21	appellate court has said, it has the duty and power to
22	say what the law is, and to ensure that it's uniform
23	throughout the jurisdiction.
24	And you have probably never heard of
25 I	"standing" before three or four months ago. And as v

realized when you were trying to apply it, it's not all that easy a concept to apply. And therefore the most prudent thing may well be to realize that the courts have the expertise to determine standing. And to stay this proceeding, and give them a chance to figure out what's going on.

The second reason, and another reason why this issue should be given to the courts to grapple with, is because the Clean Air Act requires access for groups like the Sierra Club to judicial and administrative proceedings. As the EPA has said:

"All affected members of the public must be allowed to challenge PSD determinations."

And as you recall, this proceeding is about a PSD permit. The statement made by the EPA in the Federal Register, which was recently referenced by the United States Supreme Court, in a dissent states that: State implementation plans, including those parts dealing with PSD permits, must provide that all affected members of the public be allowed to challenge those permits.

And in Utah, remember, there's two situations that mean that that, that statement applies to this Board. The first is that all parties -- all entities must exhaust their administrative remedies. So

And the other reason is is that the standards are the same. As you recall, in your own rules it says that the standards are those established under Utah law by the Utah courts.

And this is what EPA said: The EPA interprets the existing law and regulations to require an opportunity for state judicial rule -- review, I'm sorry, of a PSD permit action under approved PSD SIPs by permit applicants and affected members of the public in order to ensure an adequate and meaningful opportunity for public review and comment on all issues within the scope of the permitting decision, including environmental justice concerns and alternatives to the proposed source.

The EPA believes that an opportunity for public review and comment, as provided in the statute and regulations, is seriously compromised where an affected member of the public is unable to obtain, obtain judicial review of an alleged failure of a state to abide by its PSD SIP permitting rules. Accordingly, all such persons, as well as the applicant, must be able to challenge a PSD permitting action in a judicial forum.

And based on EPA's analysis of Virginia's proposed SIP, it determined that Virginia did not allow sufficient judicial -- public review processes, public access to the judicial courts -- to the state courts, I'm sorry. And therefore refused to review Virginia's SIP -- I'm sorry, refused to approve Virginia's SIP.

So the conclusion from this is that, again, the expertise of the Utah courts is necessary because more than just the permits before this Board is at issue here.

Third, the Sierra Club will be harmed significantly if this proceeding goes forward without it. The Board will make decisions. All sorts of decisions. And the parties will undertake all sorts of activities as this proceeding goes forward. And the Sierra Club won't be a part of them.

The longer this goes on, the more prejudiced

the Sierra Club is gonna be. These types of decisions and activities include discovery, motion practices, motions, advocacy on any of the issues that might arise in the course of pretrial preparation of the case. And, ultimately, the trial preparation itself. Including direct and cross examination of witnesses at trial, and the opportunity to present testimony and evidence at trial at their own initiative.

And these decisions matter. As everyone knows, getting in at the ground level is critical if you are going to influence decision makers. No one wants to wait until the last minute to give their take on a particular issue.

In other words, once the proceeding goes on, and the longer it goes on, the more difficult it will be to backtrack, and to unscramble the egg, and allow the Sierra Club a fair opportunity to participate in the proceeding.

The fourth is the issue of efficiency. If the Sierra Club is successful, the proceeding is gonna have to start over. There's gonna be new discovery. There's gonna be new schedule. There's gonna be -- new depositions will have to be taken. New issues before this Board.

And essentially the public servants involve

And fifth, there's no strong arguments to suggest that waiting will harm anyone. It's merely a delay of the process. And none of the arguments put forward by any of the parties suggest otherwise.

You've been presented with the argument that Sierra Club doesn't have standing to ask for a stay of the very proceeding that they were denied participation in. Now, this argument makes no sense, because the whole idea behind a request for a stay is that the party that lost has an opportunity to appeal. That the fairness of that appeal is preserved by staying the proceedings, because to do otherwise would unfairly prejudice them. And third, that the decision may be wrong.

That's the whole premise, that the decision may be wrong. So if you assume the, the premise that the decision may be wrong is invalid, you are undermining the rule. So in other words if you say,

"Well, we're gonna assume that our decision is right, and therefore that you don't have standing to proceed," well, that's undermining the very notion of the stay to begin with.

There's this issue of whether an amicus is good enough. And therefore, somehow, the Sierra Club won't be harmed, because it's allowed to participate as an amicus but not as a full party. And as, as I already pointed out, all the activities and the decisions that the Board will be making as this procedure -- as this process goes forward, that, in that context, full-party status is very different than amicus status.

for example, without status -- this

full-party status, as you've already seen, the Sierra

Club has been excluded from scheduling matters. Already

that decision has been made by this Board. We -- Sierra

Club can't make motions. We can't participate in

discovery. We can't advocate on the issues that arise

in pretrial preparation. And ultimately, we can't

participate in public -- I mean, I'm sorry, in the

trial. In preparation for the trial.

In addition, particularly in the SPC matter, we raised a lot of issues that were not raised by the citizens' group. Those issues won't be addressed at all. And, therefore, amicus status won't be anything

like full-party status.

So just to sum up, I think that the, the fact that the courts are in a better position -- are in the best position to address this matter. That this matter does raise, as the fourth factor suggests, presents serious issues on the merits. That should be the subject of further adjudication by the courts, who are in the best position to do so.

And based on that, and based on the harm that will occur to the Sierra Club, and the lack of harm that will occur to anyone else, and the public interest in not redoing this proceeding should the Sierra Club be successful in their appeal, favors a stay in both proceedings. Thank you.

THE CHAIR: Mr. Finlinson?

MR. FINLINSON: I'm Mr. Finlinson, representing the Sevier Power Company. Just to start out initially, the -- Counsel has just encouraged you not to -- basically, to turn over your decision-making process to the court. Apparently you don't have the ability to make those standing decisions.

And yet your rules require you to deal with the issue of standing. Your rules set forth that, that that standing is supposed to be governed by the, the Utah case law dealing with standing. And you have that and approve it, then I just think that she might finally suggest that you don't have the authority to approve; we ought to have that reviewed by the court as well.

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that decision. And the review at the circuit court by the Court of Appeals is one on the record that you've looked at. They don't bring in new evidence. And the court has to conduct a review, really, to determine whether or not your decision was arbitrary or capricious. Or that it wasn't supported by any of the evidence upon which was presented to you. And you basically ran away with a decision and didn't pay attention to the Utah law.

That's a pretty tough standard for the appellates to, to meet. And so I think you need to remember that and keep that in perspective. We think that if a party lacks standing to, to require the review of a permit, they probably don't have enough standing to ask you to stop the review of that process.

That's basically what's happened in this case. I'm not sure that you can be a party without standing. The issues of staying are pretty much a very guarded option that's available during an appellate process. It's not granted very easily. There's a very

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Stay is not really a very favored option.

They're not granted lightly by the courts, and shouldn't be granted lightly by this Board. Even if they had the standing to make the suggestion to request the stay, we submit to you that they failed to meet the four-part test.

They talked about irreparable harm. But what is the harm that's gonna be suggested in a hard -- part of the system. And your actions are done in public. And they have that issue. And we submit that they fail to meet them. They talk that -- they have to convince you, or the court, that the injury to the Sierra Club is gonna be far more irreparable than the injury to the project. Or to the state in its regulatory process.

They're basically requesting that this body, the Board of Air Quality, stop whatever you are doing until the court makes a decision on standing. That could run anywhere up to 18 months. And so your work on what you are trying to accomplish as your administrative responsibility has to come to a halt.

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The carrying cost of a \$500 million project a capital project, for a year's worth of just sitting still is pretty significant. And I think that that far outweighs the harm that would be cost to the Sierra Club.

The question of whether or not it's adverse to the public interest. If the public's interest is having an abundance of renewable or energy that is available that is driven by a legitimate process, that public interest will be adverse to the decision of, of, of holding that.

And the fourth standard is to look at

-- they have to show that they have a substantial

likelihood that they'll win. And you have looked at the

case law, you've heard the testimony, and you've made a

decision that they don't have standing.

That decision will go to the, to the Circuit Court of Appeals. They'll have to decide whether or not you erred in making that decision. That the evidence that you heard doesn't support your ruling. I submit to you that the evidence was submitted, and will justify that your decision was an appropriate decision. I don't think that there's a slam dunker that they're likely to prevail in that part.

And then there's a third item that I wante

you to look at. And this is that in the judicial system, when you go and ask for a stay while you take a matter upon appeal, they have a rule in civil procedures, Rule 62. And it's a process that sets a, a filing that they have to put up, a bond, a supercilious bond, to protect the person who won on the, you know, who's being appealed. That judgment is being appealed.

And that appeal -- or the cost of that bond for a \$500 million project, or probably an even greater amount for the Intermountain Power Project because their client was gonna be bigger than ours, that cost is pretty expensive to put up that kind of a bond. If the Sierra Club can convince you to stop your state process, that prevents us from the protection of the supercilious bond.

And the -- and so by, by granting -- because you don't have a rule in, in your process that allows you to put up a bond in case they don't prevail. The court system does. So if the Sierra Club can convince you to do that, they get a stay that stops you, without the benefit of a bond to protect the other parties like they would in the court system.

So I -- we would urge you that, one, that their petition for you to stay should be denied, based on those issues that we've submitted.

So until this issue is resolved, that project is really kind of on a hold. As would any other project. Because in your regulatory capacity you have that assignment to make sure that, whoever the applicant is, that they line up with the requirements of the Clean Air Act to be entitled to receive a permit. Thank you.

MR. HALEY: Good afternoon. I'm George Haley, I represent IPA. And I have with me Lance Lee, who is the individual at IPA who's responsible for coal procurement. And I'd like to have him just use part of my time. I'll be brief.

I agree with what Mr. Finlinson said in terms of laying out the standard. I just have a couple of additional comments, and I won't repeat what he has said. But the rule that's at, at play here and controls your decision is R307-103-10. And it places, on the party who is seeking the stay, the burden of establishing all four of those elements that you already heard us talk about.

And I would submit, you don't have to go beyond the first one. And the first one is that the

party seeking the stay will suffer irreparable harm unless the stay is issued. And, of course, the reason behind the denial of their standing is the Sierra Club's failure to prove any palpable injury to a point of establishing standing. Which is a lower standard than irreparable harm would be.

The other point I want to make is these four standards that are articulated in that rule are essentially the preliminary injunction standard that you have in court. They've kind of taken it from a long body of case law in the Rules of Procedure and plugged it into the Administrative Rules.

The one thing that's not there is this bonding issue that Mr. Finlinson mentioned. And I would submit that that is a good reason why the motion to stay should be denied. If it's denied, the Sierra Club has the clear remedy to seek a stay in the Court of Appeals. They've already filed their appeal. So really the -- already the Court of Appeals has jurisdiction.

And there's a rule precisely on point, which is Rule 17 of the Rules of Appellate Procedure, that says if an application in front of a board like this is denied, and the motion for stay is denied, they can seek redress in the Court of Appeals. And the Court of Appeals can consider whether or not a bond should be

issued.

Which, I think, is the fairest way and the most sensible way to proceed. Because the other element that they will not be able to establish is that, in terms of weighing the damages, that the damage is so much higher for IPA than it would be the Sierra Club.

And I'm gonna have Mr. Lee just briefly tell you some of the analysis he has made on what the cost of delaying this for some year and-a-half, two years, who knows? Once, once an appeal is taken, it's an indefinite period of time.

MR. LEE: Mr. Haley asked me to spend a brief moment here and discuss -- go briefly with you an analysis -- quick analysis that I did on potential harm that could be -- come to the project if a delay is incurred.

As you are well aware, our price of energy has went up over the last few years. In particular coal has increased in the price, over the last two years, about 30 percent per year. So by delaying the project it has a huge impact on potential to cost this project tens of millions of dollars. Especially when you are talking on order of 3 million tons a year.

The financial community quite possibly could require us to enter into long-term agreements. And if

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Interest rates have been low these past few years. Our analysis has taken in account some inflation of those interest rates. But as we have seen in the past couple years, interest rates continue to creep upwards, not downwards. So there is very real harm that can be caused to this project by delaying it.

I would go more into cost of the coal,
but -- and exact contracts that we have to prove where
price of coals went, but we have confidentiality clauses
in our agreements that don't allow me to discuss -disclose those.

MR. HALEY: Thank you. But I think that really makes the point in terms of weighing what would be the relative harm on a, on a stay that -- it's clear that it could have the impact of at least tens of millions at a minimum, to hundreds of millions of dollars to this project.

Which would have a corresponding increase in the price of power that's gonna be generated out of that project, which is not in the public interest to increase the price of power. There's also the need of power, and delaying that over time as you are looking forward.

The, the west is growing rapidly, and there's an increasing need to have power generation.

So I, I would argue that the Sierra Club has wholly failed to meet its burden of establishing really any of the four points. But they only need to fail to establish one of the four points in order for the denial to be appropriate.

And then, again, I would just say that the Board got it right in its order of, of May 12th. That the Sierra Club has appealed it. At this point, I think the appropriate thing to be is let the Court of Appeals deal with this issue.

If they think they should have a stay, let them argue it in the Court of Appeals. Let us argue what the appropriate bond would be. Because you shouldn't just be able to come in, and for a piece -- price of a piece of paper be able to cost my client tens or hundreds of millions of dollars.

They ought to be able -- they ought to be forced to post a bond to cover what our harm would be if their appeal is unsuccessful. Which we, of course, strongly believe that it will be, just as the Board found in its May 12th order that there wasn't a legal basis for standing.

And as what the arguments that Ms. Walker

1	made about the EPA's position. The EPA, with all due
2	respect, what their view is is not controlling on this
3	Board, nor the courts of the State of Utah. That's
4	controlled by the Utah Supreme Court. Which was the
5	basis of the decision those decisions that we argued
6	And with that, I'll submit it. I think the
7	motion should be denied. Thank you.
8	MR. BURWELL: Can you, can you describe the
9	company that you are representing and, and what's the
10	background of that company?
11	MR. HALEY: The IPA is a quasi-governmental
12	entity. It's in Millard, Utah. It has or Delta,
13	Millard County. It has two existing units. We've
14	petitioned to build a third unit on the same side.
15	MR. BURWELL: What does "quasi-government"
16	mean?
17	MR. HALEY: It was set up by the State of
18	Utah. It has governmental immunity. It's
19	MR. BURWELL: Well, is, is IPA an acronym?
20	MR. LEE: Intermountain Power Agency.
21	MR. BURWELL: Okay.
22	MR. LEE: It's a political subdivision of
23	the State of Utah.
24	MR. BURWELL: Are there any private
25	shareholders of IPA?

By its terms the rule requires, as the other parties have said, that all four elements of the rule must be satisfied. And the failure to satisfy even one is fatal to the request of a stay. But it's also worth pointing out that the granting or denial of a stay is discretionary with the Board.

The rule says that the Board may deny -- may deny or may for -- I guess a better way to say it would be may grant a stay if those elements are satisfied.

But there is no obligation, even if all the elements are satisfied, for the Board to grant the stay.

Just briefly, to, to cover the four elements of the rule from the perspective of the Executive Secretary. Sevier Power, in the case of the Sevier Power appeal, Sierra Club has been granted amicus status. They will be able to participate, albeit not as a full party.

They will partic -- they have participated in both the Intermountain Power and Sevier Power appeals for, for the notice of intent stage of the permits --

Their viewpoints and their issues have been raised to the Division. The Executive Secretary, when he made the decision to issue the permits, factored in the information that was submitted and the arguments that were raised by the Sierra Club. So the arguments have been raised.

I think it's worth pointing out also, as Mr. Haley said, the Sierra Club, in the, in the eyes of this Board, was not able to convince the Board that they were harmed enough to have standing. Which is a lower standard. They -- it would be hard to argue that they're being harmed on a higher -- to a higher degree, rising to irreparable harm, to grant the stay.

In fact, Sierra Club's own motion seems to suggest that there may not be any harm at all. Sierra Club mentions that there will be harm to the environment if the permits are issued and all and these plants are allowed to be built. But they also say that there won't be any harm to the other parties because the plants aren't going to be built anytime soon.

Which just begs the question of why a stay is necessary if the plants, which would presumably,

according to the Sierra Club, emit more pollutants, the very harm they fear, if the plants aren't going to be built anytime soon, or at least before the Court of Appeals makes a decision on their standing denials, why there is any need for a stay at all.

Secondly, as a related matter, the alleged threat of injury to the Sierra Club does not outweigh the damage to the Executive Secretary. This is an important point to the Executive Secretary and the Division of Air Quality. Sierra Club is not yet a party to these proceedings. Non-parties should not be permitted to use an administrative stay, which is what they're asking for here, to interfere with the ability of the parties to these appeals to seek a resolution of their dispute.

It's very likely that if the stay is granted Sierra Club will argue not only that the existence of the stay enjoins the parties from taking any action formally before the Board, but it would also allow them to -- in effect to veto any discussions of settlement among the parties. This approach is not contemplated by the administrative process as outlined in the rules.

The Executive Secretary wants to protect the Division of Air Quality's ability to perform its regulatory mandate without a non-party's interference.

If the Court of Appeals determines that the Sierra Club is a party, it is true that these proceedings would begin again. However, if -- the Executive Secretary submits that it would be against the public interest to force the parties who are actually parties in these proceedings to sit on their hands for 12 to 18 months, or possibly longer, until the Court of Appeals rules on the standing determinations.

And just to wrap up -- I don't want to take too much time, because the other parties have done a very good job of covering the, the elements of the rule. Whether this request for agency action issue presents issues of public importance, that is a straight out of the standing test.

Just two months ago, this Board determined that the issues that Sierra Club was presenting did not rise to the level of significant public issues. It would seem very strange now for -- to apply the same test for a motion to stay, and argue that all of a sudden the issues have become serious enough in the last

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THE CHAIR: I'd like you -- if you would like to make a rebuttal. And then we'll open it to questions from members of the Board to any of the parties.

MS. WALKER: Thank you. Initially I'd like to correct a suggestion that the standard of review that the appellate court would apply would be arbitrary and capricious. Actually, the standard of review and what that means is how much deference the Court of Appeals would give this Board.

Because standing is a question of law, and particularly in this case, where the Board did not question the facts that the Sierra Club and the Grand Canyon Trust put forward. Those facts were taken as given, and merely applied to the law, or the law was applied to those facts. In that case the standard review gives no deference to this Board.

Therefore, the standard that we have to meet in order to overcome this Board's decision is essentially we just have to show what the law would say. No deference is given to your decision. So to the extent that -- the suggestion is is that we have this giant hurdle to overcome.

It's true that the stay is discretionary.

And, as you also know, there's a provision that we quoted in our brief that gives you discretion to provide a remedy during the pendency of -- well, I'll just read it.

It says: Unless precluded by other statute, the agency may grant a stay of its order or other temporary remedy during the pendency of its judicial review according to the agency's rule. So essentially it's wide open for you to make the determination that you feel is best in this case.

On this issue of harm, the -- first of all, the focus of the harm in the standing case is harm by the project. So completion of the project approved by the permit, essentially. The issue of harm here today under the four-part test is the harm that the Sierra Club would suffer if the proceeding goes forward. So the harm is essentially what would happen to us if discovery occurs, scheduling occurs, that sort of thing.

And on the flip side of that is that currently there is no stay of the construction of the

all this suggestion that the parties are gonna -- or that the applicants are gonna be harmed by some delay in their ability to build things or to acquire coal is irrelevant, because there's no stay.

We're asking for a stay of the proceeding. Currently there is no stay of the construction of the facilities. Now, it doesn't say we won't ask for one somewhere down the line, but we haven't asked for one yet. Because, as far as we know, there's no proposals right now to actually go ahead and do that.

There's also been this issue of bonds. Now, first of all, the issue of bonds is not in your four-part test. And secondly, typically when environmental groups and public interest groups seek stays, typically they are not required to post bond. Or, if so, it's very minimal. You know, that's a whole 'nother issue that essentially would have to be decided by the Court of Appeals.

But there's no guarantee that we're -- that the Sierra Club is gonna be forced -- if they get a stay from, for example, the Court of Appeals, there's no suggestion that, that we would be forced to post some giant bond. Typically, public interest groups don't post bonds. Or, if they do, they're very small.

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And there was this suggestion that, because Sierra Club has submitted comments along -- during the comment period provided by the Division of Air Quality -- which, of course, we appreciate those opportunities -- that somehow all our needs have been met.

Well, the whole point of having a proceeding and judicial -- ultimately possibly judicial review of the decision of the Division of Air Quality is because the idea is that you want independent review. And that's what this Board is supposed to do; independently review the decisions of the Air Quality Board.

Up until now, the Air Quality Board has made all the decisions. Albeit based on public input, but there's been no independent review of that decision. This proceeding is supposed to allow independent review. It's not at all the same as making comments it -- the --

in the public comment period. It's just not the same thing.

And the suggestion that settlement could occur merely underscores the harm that Sierra Club would suffer if settlement were allowed to be negotiated while it was seeking judicial review of this Board's decision. I mean, essentially a settlement goes a long way towards resolving the issue completely.

would have to be a part of those settlement negotiations. So the sug -- the suggestion that, that somehow the Board shou -- I mean the DAQ shouldn't be hampered in its ability to conduct settlements merely underscores the fact that Sierra Club should be involved in anything that occurs, or would be if it was granted full-party status.

And that these sort of decisions, that have a lot of impact on this proceeding, shouldn't be allowed to made -- be made until the Court of Appeals addresses our -- the standing issue. And there was a suggestion that the Sierra Club is turning these arguments on -- well, that, that the Sierra Club is somehow saying -- trying to remove jurisdiction of this matter from this Board and placing it in the Court of Appeals.

But by the same token, when the applicant

And I think that, given particularly that there is no stay on construction, so that the parties — the applicants presumably can start building tomorrow if they want to. That there is no real harm except for to the Sierra Club, because they're being excluded from a proceeding.

The longer it goes on, the more prejudice the Sierra Club will incur. That really wouldn't harm anyone if it were delayed, particularly given because no one is being prevented from constructing their facilities in the meantime.

And I think the final issue is is that standing is confusing. And the courts are better positioned to address it. They wrote the opinions that you are trying to apply to our facts. And, because there may be questions still in your own mind -- maybe not -- but certainly you realize that this is an issue new to you, that's accustomed to the courts.

Let them decide it, before the Sierra Club

is prejudiced in this matter. Thank you very much. 1 2 THE CHAIR: All right. Do Board members 3 have questions for any of the parties? Okay, we have Marcelle, and then Jerry, and then Steed. 4 5 MS. SHOOP: Mr. Chairman, I'm not sure who to address this question to, but I just wanted to get 6 some clarification with respect to the IPP matter. Ιn terms of the status of the permit and, and the appeal, 9 as I understand it, the only stay that's being requested is the stay relative to IPP's appeal on a -- Condition 10 11 24; is that correct? 12 MR. NELSON: That is correct. 13 MS. SHOOP: And so if -- the permit has no 14 yet been issued? 15 MR. NELSON: No. The permit has been I -- that's, that's a point that I think needs 16 issued, clarification. The permit has been issued, in both 17 circumstances, by the Executive Secretary. And 18 Ms. Walker is correct in that both companies could start 19 20 to construct tomorrow under that permit. There is no 21 stay of that construction. 22 Now, as a practical matter there may be a 23 stay because of financing, or company decisions that 24 they want a final permit before they begin. But from a 25 legal standpoint, there is no stay on the construction

1 goodness. 2 MR. NELSON: Well, at this point the only 3 briefing is a two-page +-4 MR. GROVER: Okay. 5 MR. NELSON: -- document that says "we. 6 appeal." 7 MR. GROVER: Okay, well that was my question. Is have you asked the Circuit Court of Appeals for stay of these proceedings pending a termi 9 determination of your standing issue? 10 11 MS. WALKER: The -- we have to ask you 12 That's the way the -first. 13 MR. GROVER: So it's not --14 MS. WALKER: -- process is laid out. 15 ask you first. Which is why, if you remember, we were 16 in such a hurry, because --17 MR. GROVER: So they wouldn't determine it's not right until we've determined -- made our 18 determination is what you are saying? 19 20 MS. WALKER: Basically. I mean, the way it goes is we ask you first. Either you -- and then based 21 on your decision here, we go to them. If you grant us a 22 stay, then we just go straight to the merits. If you 23 don't, then we ask them for a stay. 24 25 MR. GROVER: Okay. I just wanted to know

what the request of the court currently was.

MS. WALKER: Right. So, so we haven't asked yet, no. We're waiting for your decision.

MR. BURWELL: So being new to the Board, have you presented a case as to why you want the stay? Is it around the nature of what these power plants are -- you know, the type of power plants that they are and the impact on the air quality? Is that -- has that been articulated --

MS. WALKER: Yeah. I think --

MR. BURWELL: -- to the Board members?

MS. WALKER: I, I think what you are asking is if we've provided the basis for essentially what -- an appeal of the, of the Department of Air Quality decision on the permits. And yes, we have. That's in our request for agency action.

And we laid out, I'm forgetting, but I think 19 very specific points with regard to the IPP plant, and I believe 9 or so with regard to the SPC plant. And they deal with emissions, visibility, impacts on national parks, things like that. And I would hope that you have been provided with those pleadings.

MR. NELSON: Because he is a new Board member, I don't know whether you've been sent previous packets. But that doesn't matter. I --

1 MS. WALKER: Uh-huh. 2 MR. NELSON: I think you just got the motion 3 for stay. 4 MR. BURWELL: I believe so, yeah. 5 MS. WALKER: Okay. But maybe -- I -- it will probably be too late to -- once you get them the 6 Board will have made a decision already. But 7 essentially, you know, they're based on the, the issues 8 9 we raised. 10 MR. BURWELL: Your assessment of the emissions for the two plants? 11 12 MS. WALKER: Yeah, and the permitting of those emissions, essentially. They focus on, on those 13 And whether they comply with state and federal law. 14 15 MR. BURWELL: And you mentioned the Grand Canyon Trust. You represent both; two different, 16 disparate, distinct entities? 17 18 MS. WALKER: That's right. 19 THE CHAIR: Mr. Horrocks? 20 MR. HORROCKS: Ms. Walker, in your initial 21 presentation you made a statement that if this Board 22 denies the motion for stay, that we would essentially be 23 denying the Sierra Club access to the courts. I was... 24 Did I miss hear you? Did -- or could you

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elaborate?

 MS. WALKER: No. Well, I, I don't know if you misheard me or not. But certainly if that's what I said, it's very confusing. What I meant is, you know, I brought up this whole issue of, of the EPA and whatnot to suggest that this is a complicated situation that should be handled by the courts. And that this raises a lot of questions. Let the courts deal with it.

Issue a stay in the meantime because, from our perspective, fairness requires it. But what I wanted to say is that, when I was quoting the EPA saying the Clean Air Act requires judicial review of PSD permits, that in our situation here in Utah, essentially whatever standard that is applies to this Board as well.

And the two reasons are is that the standing requirement is the same for the Board as it is for the courts because the Board is trying to apply the, the court standard to this proceeding. And the second is is because to, to — under our Administrative Procedures Act no entity can go straight to the courts without going through this Board, because they are required to exhaust their administrative remedies.

So essentially the point I was trying to make is, is that what the EPA says about standing is re -- and standing relative to the courts, is relative to the -- it matters to this Board as well. And the

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Yeah. But what we're --MS. SEGHINI: To defend your position that

MS. WALKER: Yes. But what we're asking the Board to do in the meantime while we're working that out -- and I'm certainly not complaining about our access to the Court of Appeals. We're fine with that. But what we're saying is in the meantime would you hold up, delay these proceedings.

So that if it turns out that we're right and we have standing, that we're not prejudiced by the fact that the proceedings have gone forward without us. certainly we're plenty happy with our ability to seek

Thank you.

THE CHAIR: Any other questions? Probably for the benefit, since we've had a -- oh, yes. We'11

MR. FINLINSON: Mr. Finlinson. I'd just like to offer a rebuttal piece of information. The question is could the plant go forward because we do have a permit that authorizes us to construct. It was granted by the Executive Secretary. But in today's market you wouldn't get past first base, in terms of anybody who had to put up the financing for that project

then...

We'd say, "Yes, we have a valid permit. But it's subject to the review process that we're presently going through." And that process of being able to say, "Yes, we have a valid permit," will probably take longer if it goes through the, the question in the Circuit Court of Appeals on standing.

But even though we have a permit, I can assure you that we don't have 500 million -- speaking of the current company -- to go do that. My guess is the Intermountain Power Project doesn't have the additional money that they have -- would be required to come up with, until that permit issue is resolved through the review process. Both the administrative and the judicial process.

So you are not going to see construction until their permit that is gone through the process of a review.

MR. HALEY: Just for the record -THE CHAIR: Yeah, let's Mr. Haley and

MR. HALEY: Just for the record, IPA/IPP joins in the comments of Mr. Finlinson. That would go for us as well.

MS. SHOOP: I just had a quick question of

Mr. Finlinson. As I understand, what you just said is that regardless of, of -- however long it takes for this matter to work its way through the Utah court systems is however long it's gonna be before the power plant is constructed?

MR. FINLINSON: Exactly. On, on either power plant.

MS. SHOOP: So is there really harm to the, the power companies if this proceeding is stayed if, if what is really the, the thing that's gonna hold you back is the, is the Court of Appeals process?

MR. FINLINSON: Well, yes. But in the Court of Appeals there's the protection of whatever that bond will be. And she suggested that it would be minimal or small. And, of course, we're gonna urge the court to, to get it to reflect the true amount of the damage.

And there is a process in the appellate procedure for the presentation of the different opinions of what that bond ought to be while -- if, if they considered granting the stay. Now, the test at a -- the Court of Appeals are basically the same tests that you have. It's still a four-part process. And, and it will be contested there as well.

But the net result is if, if that stay is put in place, where if you grant it, that stops us from

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That extra delay, we think, is detrimental to the, to the power companies. Both power companies. Both of you submitted -- both of us have indicated that to you today. The difference is if you grant a stay, we don't have the protection of whatever the bond is going to be in the event that they fail.

We submit that there's a pretty good likelihood that they'll probably fail. But in the appellate court, they have to deal with that issue. whatever protection is afforded by the, the bond is simply not available at this level.

MR. HALEY: May I address your question from my perspective?

There would be an additional practical problem that we would have, in terms of trying to reach a resolution on the, the SS --

startup/shutdown/maintenance issue. If there was a stay issued, that would stop basically everything.

Right now, while the appeal of the standing issue is going forward, we could continue to try to resolve the remaining issues on, on the, the

perspective. And then there's also the bonding issues that -- we think if they're -- if they want to proceed with the appeal, then we will argue in the Court of Appeals that they should -- the Sierr -- "they" being the Sierra Club, should have to post a bond for the damages that we would incur as a result of a delay on going out to the capital markets, or to a lock in our long-term coal contracts.

MS. SEGHINI: I have another question.

THE CHAIR: Yes.

MS. SEGHINI: My question is this. The previous decision of the Board was -- indicated that the Sierra Club had no standing. And that is what they're appealing. Would it make a difference in their ability to participate in discussions if we, as a board, give them amicus standing -- if I'm saying that correctly -- so that they, then, would be part of the discussion, even though they wouldn't have legal standing?

MR. NELSON: Let me comment. They were granted amicus standing in the Sevier Power Company

The, the difference between amicus and party status, as best I can describe it, is that when you are a party you have a right to fully participate in the proceedings. Which means that you can present testimony, present witnesses, file motions, cross examine. And participate as if you were one of the, the parties like the Executive Secretary and the company.

An amicus status gives an ability to present a brief or make oral comments on what has been presented. And so you can file briefs on issues. You can file information with respect to what the record is But it does not require any kind of a legal standard to be granted participation. Amicus is just at the discretion of the Board.

The party status, however, you have to demonstrate, as we went through the process, of standing, and the ability to participate and demonstrate the intervention requirements.

MS. SEGHINI: I have one other question, and I apologize because I missed the last meeting. As we've gone through the permitting process, have we not carefully examined the emissions standards and the expected emissions from these two plants, and whatever

1 issues two months ago.

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First, I am a little uncomfortable with that. But, you know, we do vote by a majority vote.

And it was a -- in the statement that I signed on behalf of the Board, we found that this power plant construction is not a major public issue.

For someone who's been involved in Western Regional Air Partnership, we go through all these meetings, we talk about dust, and we talk about vehicles, but we always get back to stationary sources. They're the big one that affect air quality in the West.

And the WRAP has certainly devoted a substantial amount of its resources to the best available retrofit technology for the plants that predated BART. The upgrading of power plants, such as the initiative that PacifiCorp has taken on their own to reduce emissions from the plants.

So I think they are major public issues, as proven by how much time we spend talking about it in forums like the WRAP. And it's also been said, "Well, the citizens have had their chance, during the public comment period, to provide their input." And that -- but that's the, the advocates talking to the agency staff.

As a board, we are the ones who are suppos

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And from that standpoint, you know, the fact that an organization has raised questions around the air quality impact of two projects, and as a board we did not give them standing, you know, raises questions around what our motivation, our goals, and objectives are.

Again, if, if the arguments by another organization are these impact the air quality, and the arguments by the other projects are around the economic impacts of the project, you know, what, you know, I

that we're doing the right thing in that regard?

MR. GROVER: Well, I think the law requires us to look at harm. It didn't say any air quality harm. We don't really operate in a vacuum is what I'm saying. Yeah, we deal with air quality issues. But when the law says we have to follow and look at certain things, one of which is harm, then we have to look at it.

So, I mean, I understand what you are saying. And it seems like we're getting off into areas that we don't know, that we think we're experts at, perhaps, because we're here because of our air quality knowledge. But, you know, having sat through the hearings and everything, we were required -- the law specified exactly what we were supposed to determine for standing.

And it was harm. We had to determine whether there was harm or not harm to those that were actually petitioning. So -- it would have been nice if we didn't have to, but that's what the law required us to do. So, I mean, I'm just kind of defending the position. And there was a lot of discussion about that during the meeting. So it wasn't --

MR. BURWELL: Harm, harm to the parties, of



harm to the air? 1 2 MR, GROVER: Well --MR. SAMUELSON: Harm to the parties. 3 4 MR. BURWELL: Okay. MR. GROVER: But the Sierra Club made 5 arguments that actually talked about environmental harm 6 7 as well --8 MR. BURWELL: Okay. MR, GROVER: -- the public advocacy 9 position. So there was all of that. There was all --10 elements of that. But I think specifically we looked to 11 what the -- the law required us to make a finding as to 12 13 whether there was harm or not, so. And I think that's one of the standards here 14 again, is another irreparable harm. We have to look at 15 That could be -- it doesn't say just air quality. 16 that. You have to say, you know. If us, by staying an air 17 18 quality decision, we'd have to look at the harm that would result from that from an economic standpoint as 19 20 well. 21 So I don't think it limits us just to 22 environmental harm. Maybe Fred can correct me if I'm 23 wrong, but. MR. NELSON: The -- you are looking at, with 24 25 respect to a stay, at the harm, again, to the parties,

and the relative positions of the parties, when you a talking about staying a proceeding. The, the courts and --

The reason that this standard is set with the requirements that are listed there, and it marries up as was indicated with what the judicial process would be in granting a stay, is that there is a -- there is usually a deference on the part of the court to maintain the status quo.

Whatever decisions have been made should stay in place, unless you can demonstrate those four criteria. And if those four criteria then meet certain requirements, then the Board or the court will step in and say, "We're going to go outside the status quo for the moment and put a stay in place." Depending upon those criteria, and those criteria being met.

MS. BUNKER: In regard to Mr. Grover's comments, I am assuming that when this was discussed before, all of these things were discussed. It, you know, pro and con and everything, when the -- when you had the, you know. This wasn't held in a vacuum; is that right?

MR. GROVER: Well, there was, I don't know, at least two or three inches of briefs on --

MS. BUNKER: That's what, that's what,

1 of questions were asked. 2 MR. NELSON: There was a split --3 MS. BUNKER: However --MR. NELSON: There was a split vote on every 5 motion. MS. BUNKER: But whatever, the majority 6 7 ruled on that though, you know. That wasn't -- that was the voice of the Board. After, you know. Whether it 8 was 5-4 or, you know, 6-1, whatever. 9 That is -- that was the voice of the Board. 10 11 MR. NELSON: Right. 12 MS. BUNKER: Right? Okay. 13 THE CHAIR: So. 14 MS. SEGHINI: Just in, in terms of the discussion. Is our job to protect industry, or is our 15 job to protect the environment? And our job always is 16 to protect the environment. That's why we regulate **17** industry. And that's why we look at the regulations. 18 19 That's why we have very rigid requirements before 20 permits are, are issued. 21 Certainly the, the stationary sources are 22 going to emit a certain amount of pollution. But in our 23 society if we can control that so that it meets the 24 requirements for a healthy environment, then we can function better as a society. I hate to think what it 25

would be like to be without electricity.

MR. GROVER: I think, I think we're kind of presupposing, though, that that's what the -- that's what the rules and all the determinations that are made by the Executive Secretary takes that into consideration. I mean, I -- I'm just saying I, I don't know that -- we weren't really reviewing the big global environmental, you know, regulatory scheme when we were reviewing it.

We were just reviewing the specifics of this particular request involving this permit which the Executive Secretary had granted, and said it had been reviewed, and that the laws had been followed. And I think, you know, Mr. Veranth raised an issue. Maybe there's some interpretation he didn't agree with.

But that wasn't the determination of the Executive Secretary. And the petition was to say -- you know, to take that basically from the Executive Secretary to review -- the Air Quality Board to review that. Which they did. And one...

THE COURT REPORTER: I'm sorry?

MR. GROVER: Speak up? Okay. For one of the applicants. But for the other we just didn't find they had the standing to raise the issues, because they didn't meet the specific criteria that the law required

us to review, so.

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MS. SEGHINI: Okay.

MS. SHOOP: I have a question. It's probably for the attorneys. But I guess my question is how would it affect the appellate process if the Board were to permit a stay of the proceedings only for a limited period of time while the parties asked the court to determine whether or not a stay -- a full stay was appropriate? I don't even know if that's possible, procedurally possible.

THE CHAIR: I guess...

MR. NELSON: You want me to comment? I think that the Board can do whatever it wants to on the particular kind of matter. If that's what the Board decides it would like to do, it has the authority to do that.

MR. SAMUELSON: Mr. Chairman? You know, I, I am struck by Mayor Seghini's comment, you know, that it is our duty to protect the environment. And I fully endorse that. And she also mentioned, you know, can we envision ourselves living in a community or a world without electricity. And I think most of us cannot.

The rules and regulations, the standards that we have, don't represent what's healthy and what's not healthy. None of this is healthy. Okay? What it

represents is the best possible compromise of our -- the existing technology and what lungs can tolerate.

And so while we, we have to balance that, I think it's, it's much more a question of degree rather than black and white. We have to balance the need for power. And I think we would all have to admit that we have a need for power. We also have to balance that against the fact that, that any amount of these pollutants is unhealthy.

It's a question of degree. We can probably exist longer with less. But can we exist at all without electricity? So, you know, I -- as I'm listening to both arguments I'm struck by, you know, the tendency to declare one side wrong and one side right. And obviously it's never that simple.

For me the question seems to be, who is harmed most? And does our granting a stay really result in tens of millions of dollars to the power companies? In which case, that's considerable harm. Does our denial of a stay prevent the Sierra Club from pursuing, you know, their mission of protecting the environment. These are not clear-cut questions.

It sounds to me that no matter what we do, this ends up in court; is that correct?

THE CHAIR: Probably.

MR. NELSON: Well, it really is already in court on the, on the motion to intervene. Let, let me describe what I think the two choices are. The choice of denying the stay means that this Board would go forward with the proceedings.

That means that you would hear the IPP appeal of its own permit on that particular provision. You would also hear the Sevier Power Company appeal by the Sevier Citizens' Group. You would go forward with that proceeding.

If, at some point in time, the Sierra Club prevails in the Court of Appeals, they would then come back to the Board and would be a party to the proceeding. And at that point they would raise the issues that they have raised in their petition to intervene.

Depending upon where those two processes are at the point -- at that point, they would -- there may have been some decisions that the Board would need to re-look at because they had not had a, an available process to present their own witnesses or present their own testimony. But they would not be denied an

opportunity to present evidence and information to the Board, because they would then be a party.

You may have some kind of a precedent value, because you've decided some issues with respect to concurrent proceedings, that you would say, "Well, wait a minute. We decided this. Now, in looking at this information that the Sierra Club is presenting, do we want to decide it differently?" Which is what happens in courts every day. You have different parties arguing different issues, and they then have precedence and decisions.

So that would be the one process that the Board would, by denying the stay, that would be the process. If you grant the stay, what that would mean is that the administrative proceedings would wait until the decision is made by the appellate court. And, depending upon how that decision went, the Sierra Club would be a party to the proceedings or not a party to the proceedings, and then the Board would go forward.

So that's the really the two options that the Board has. Now, if there's any disagreement with my description...

Uh-oh, there was.

THE CHAIR: Okay, I think we're gonna let you.

As a practical matter, it wouldn't be necessary. They have to act, like right now. They've already filed their appeal. So in order to have a stay issued it would -- they would have to do it within the next 30 days anyway. Nothing is gonna happen during that time frame. So as a practical matter, that remedy would already be there.

And then the only other thing in terms of what Mr. -- what Fred was saying is that I just want to draw the attention back to the four-part test. In order to issue the stay it's not just weighing those two issues, what you prefer. But you have to, you have to decide that the Sierra Club has met all four of those elements of the four-part test. Including the, the damage issue. The irreparable harm issue. Which is really the --

MR. NELSON: I, I appreciate that clarification. My comments went simply just to the process. Not the standard in making the decision.

THE CHAIR: Mr. Finlinson?

of who can come and have a seat at the table. And we have not yet, and, and until you start into the administrative review of the actual permit, all of this skirmishing that's going on is delaying the review to see whether or not the decision of the Executive Secretary was, in fact, consistent with the requirements of the Clean Air Act to provide the right kind of balance that we've been talking about that you need to have, and see whether or not the application meets the requirements for permitting a coal-fired plant.

So until we can get into the administrative process, you are not really dealing with the issue of what's in the permit. And whether the permit was the appropriate thing to do. You are not protecting the environment. We're skirmishing. And we're submitting that granting a stay by this Board delays the administrative review of whether or not the decision is

actually right.

impact.

THE CHAIR: Mr. Stephens and Ms. Walker?

MR. STEPHENS: Chris Stephens, Attorney
General's office. To use a very pedestrian analogy,
granting a stay is like hitting pause on a remote
control. Everything just kind of freezes where it is.
Now, depending on the side you are on, that either works
for you or it works against you. No matter what
decision the Board makes today, it's gonna have an

I just thought I'd point out though that, like Mr. Finlinson was saying, we're dealing with the legal aspects of whether the Sierra Club has demonstrated that it has met the threshold requirements for participating in these proceedings. Two months ago the Board decided that it did not.

The standards for issuing a stay are not overly different from the standards for establishing standing. So I just want to encourage you as you, as you weigh this decision, to reflect on the decision that was made over standing. Where does the balance lie with the harms -- the relative harms here?

If you ask Sierra Club, they're going to say that not having a stay is harmful to them. If you ask the, the Sevier Power and Intermountain Power, they're

THE CHAIR: Ms. Walker?

MS. WALKER: When, when Fred was describing the two choices before the Board, I would agree with his characterization of it. Except for, because I'm coming at it from the point of the Sierra Club, I would suggest that a process going on without a party is much more prej -- prejudicial than he suggested. Because all sorts of decisions are made along the way. And the members of the Board start to form opinions and make decisions.

And if they're not presented with all the sides, including the side of the Sierra Club, then those decisions that start to become ingrained aren't made with the benefit of what the Sierra Club can do or can present to the Board.

So in other words, to make well-rounded decisions that are based on all the facts that potentially the parties would want to bring to the Board requires holding off on the process until all the parties are or are not at the table, as the case may be.

And all we're asking is that you wait until a decision on whether we're entitled to that is made by the courts, so that you don't start to make decisions and form opinions that we can't influence. Thank you.

THE CHAIR: Mr. Horrocks?

MR. HORROCKS: I, I agree with your start -statement earlier, John, that this is somewhat awkwar
today because of, of the new board members, and those
people that weren't present at the, at the main meeting.
Our focus in the main meeting was, was fairly narrow.
And that was to determine whether or not certain
entities had standing.

I believe the Board weighed that carefully. Considered the, the guidelines that were, were given to us by the various attorneys and, and attorneys representing the different entities. Our decision wasn't arbitrary and capricious. We weighed on it very heavily. And we made the decision based on the guidelines that we were constrained by.

Today, the issue in front of us is the same.
We have a fairly narrow focus. Okay, we're not weighing
what the, the decision of the executive director was,
was accurate or not accurate. We're weighing whether or
not to stay the, the motion for the Sierra Club.
And based on the four criteria that they
need to satisfy, I do not believe they've met all four.
And therefore I want to issue a motion that we deny
Sierra Club's motion for the stay on both the IPP and
the Sevier, Sevier County power plant.
(There was a second to the motion.)
THE CHAIR: Okay, we have a motion and a
second. We've been discussing this for about an hour
and 20 minutes or so. Are we ready for a vote?
MR. GROVER: I'm almost out of water, so.
THE CHAIR: Okay. We have a motion that
would deny the request for a stay. All in favor of the
motion?
(A vote was taken.)
UNKNOWN SPEAKER: Keep your hands up,
please.
THE CHAIR: Opposed? And the Chair is not
voting.
UNKNOWN SPEAKER: Only one opposed?
THE CHAIR: One opposed. And the Chair is

1	not voting.
2	UNKNOWN SPEAKER: Did anyone not vote?
3	MR. WESSMAN: The Chair did not vote, and
4	Mr. Wessman recused.
5	UNKNOWN SPEAKER: Okay, thank you.
6	THE CHAIR: All right. I think we have a
7	decision of the Board. Thank everyone for their
8	participation.
9	MR. HALEY: Thank you very much.
10	MS. WALKER: Just, Fred, just as a matter of
11	process, are you going to do another order that will be
12	signed soon?
13	MR. NELSON: Yes. I, I think it will be
14	a simple order. I'm not sure it needs to be brought
15	back to the Board. And so we'll just get an order
16	signed and, and I'll send it up to Mr. Veranth. It will
17	just be more of a procedural order. Did you have a time
18	frame that you were interested in getting that done by?
19	MS. WALKER: As long as it's soon, that's
20	fine with me.
21	MR. NELSON: Okay. "Soon" being? I mean
22	MS. WALKER: Well, what do you mean by soon?
23	A week?
24	MR. NELSON: I was gonna work with that
25	effort, yeah.

MS. WALKER: Okay. And, and then just 1 another practical question. Is the transcript of 2 today's hearing gonna be made part of the record? 3 MR. NELSON: We could do that. I think it's 4 probably up to you to -- if that's your request, we 5 could do that. 6 Okay. MS. WALKER: 7 MR. NELSON: I mean, it -- I have to file a 8 transcript index -- or a record index by, I believe the 9 time frame the court set is 20 days from the time you 10 filed, and that means by next Monday. So what I may 11 have to do is file that record index, and then 12 13 supplement it. MS. WALKER: Okay. 14 MR. NELSON: At a later time. 15 MS. WALKER: Well, I -- we would request 16 that this -- the hearing transcript be part of the 17 record. And if I need to do something to make -- to 18 facilitate that, if you would let me know. 19 MR. NELSON: I don't think you will. 20 think we're going to get a copy of it, so that, that 21 will meet that requirement. 22 MS. WALKER: Okay. Thank you very much. 23 (The hearing on this matter was concluded at 3:12 p.m.) 24

CERTIFICATE

STATE OF UTAH

ss.

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COUNTY OF SALT LAKE

This is to certify that the foregoing proceedings were taken before me, KELLY L. WILBURN, a Registered Professional Reporter and Notary Public in and for the State of Utah.

That the proceedings were reported by me in stenotype and thereafter caused by me to be transcribed into typewriting. And that a full, true, and correct transcription of said proceedings so taken and transcribed is set forth in the foregoing pages, numbered 1 through 68, inclusive.

I further certify that I am not of kin or otherwise associated with any of the parties to said cause of action, and that I am not interested in the event thereof.

WITNESS MY HAND AND OFFICIAL SEAL AT KEARNS, UTAH THIS 8th DAY OF June, 2005.

Kelly I Wilburn, CSR, RPR

My Commission Expires: May 16, 2009

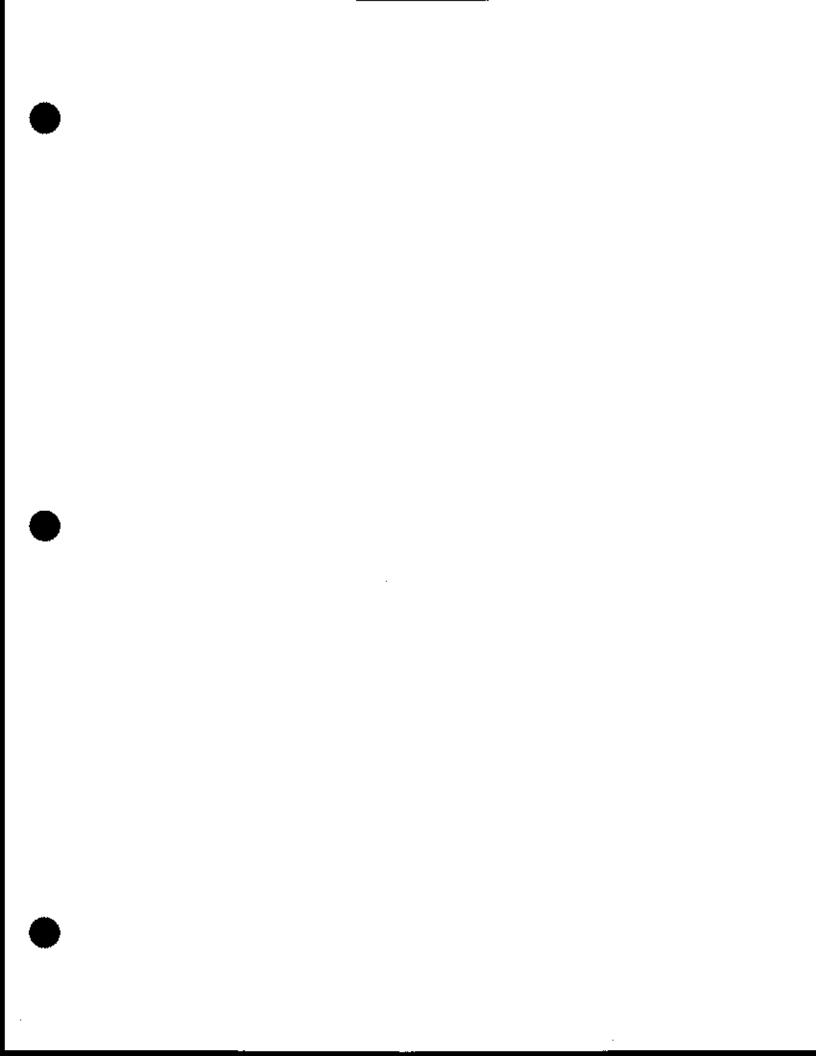
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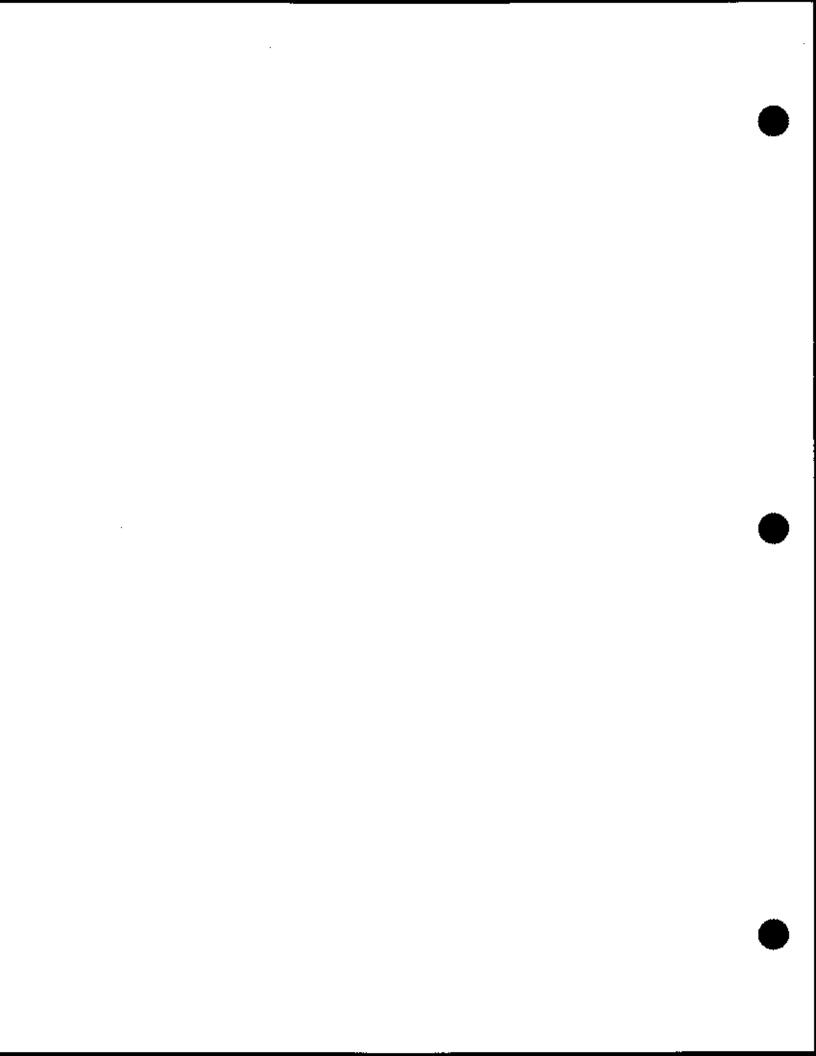
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BEFORE THE UTAH AIR QUALITY BOARD

RE:

MOTIONS TO STAY IN IPP AND SEVIER POWER APPEALS.)



TRANSCRIPT OF HEARING PROCEEDINGS

TAKEN AT:

168 North 1950 West

Salt Lake City, Utah

DATE:

June 1, 2005

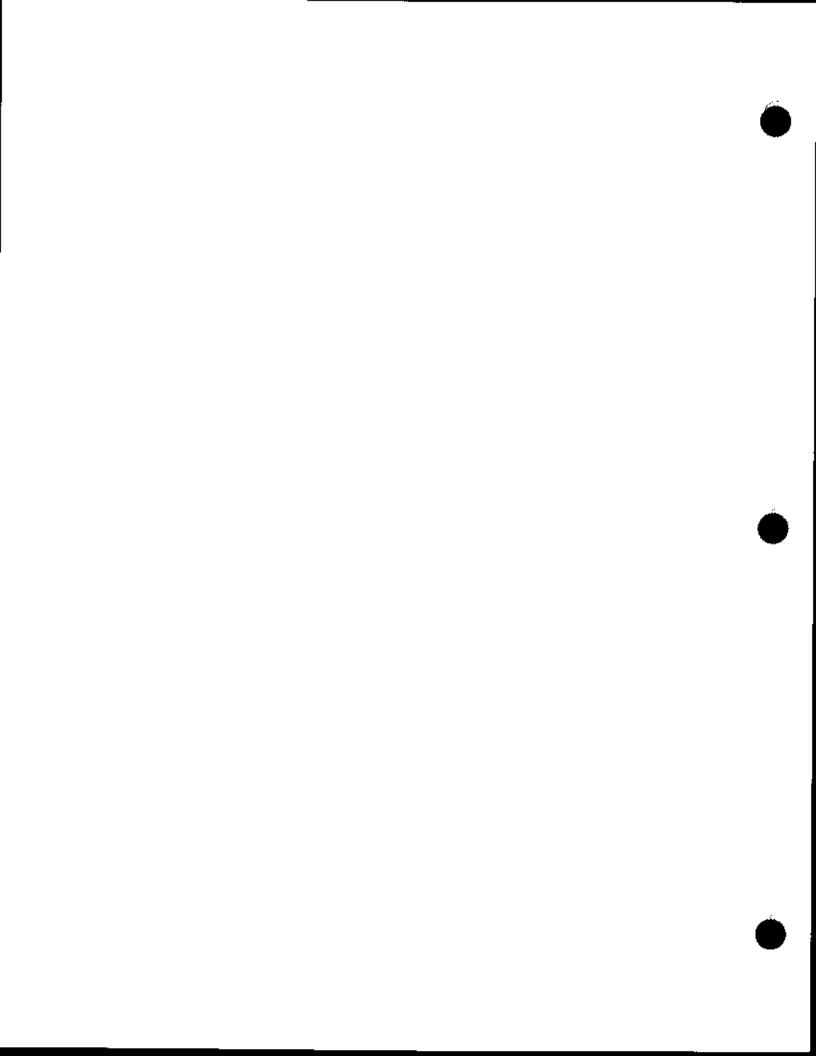
TIME:

1:41 p.m.

REPORTED BY: Kelly L. Wilburn, CSR, RPR



333 SOUTH RIO GRANDE, SUITE F. SALT LAKE CITY, UTAH 84101 (801) 328-1188 / 1-800-DEPOMAX FAX 328-1189



PROCEEDINGS

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THE CHAIR: We are now to Item 4. Motion to Stay in the IPP and Sevier Power appeals. Fred Nelson.

MR. WESSMAN: Mr. Chairman, because of my involvement with PacifiCorp, I'll have to recuse myself from the discussion.

THE CHAIR: Thank you.

MR. NELSON: The -- just to remind the Board the status of this matter. Several months ago, in the fall of 2004, the Executive Secretary issued a permit to IPP to build Unit No. 3. And also a permit to Sevier Power Company to build a coal-fired generation power plant down by Sigurd.

Those permits were appealed to the Board by the Sierra Club and by a citizens' group. Sierra Club appealing both permits, and the citizens' group appealing just the Sevier Power Company permit.

Part of the rules of the Board is that the Board is required to grant intervention and establish standing for parties in order to proceed. And the Board heard the motions to intervene -- of the Sierra Club to intervene in both the Sevier Power Company proceeding and the IPP proceeding, and the Board denied those motions. And orders were issued with respect to those.

The Sierra Club has filed those petitions to have those decisions of the Board reviewed. And is now before the Board to ask that they -- the Board stay proceedings until that review has happened. So that, that is the issue today.

There, there are two motions. The motion stay the proceedings in the IPP matter. And the second motion is the motion to stay the proceedings in the Sevier Power Company matter.

My suggestion to the Board is that we handle this consistent with the way we did the motions to intervene. That you've had the pleadings, and you've had a chance to review those pleadings. There are four interested groups in this matter: There's the Sierra Club, IPP, Sevier Power Company, and the Executive Secretary.

Those are the four that filed pleadings.

And my suggestion is is that you hear a short oral

As far as an order, it would be appropriate to have the Sierra Club go first, followed by Sevier Power Company, and IPP, and then finally with the Executive Secretary. And then if there are any questions of the Board or comments, you can deal with those at that point.

THE CHAIR: All right. Ms. Walker, would you like to come up?

And for the benefit of the court reporter,
we all need to be -- attempt to speak clearly and
distinctly. And if you are having trouble hearing or if
the microphones aren't working, please just flag and
I'll ask to have it repeated.

THE COURT REPORTER: Thank you.

MS. WALKER: I'm Joro Walker, representing the Sierra Club and the Grand Canyon Trust. Fred, how long do I have, and can I reserve time for rebuttal?

MR. NELSON: Well, I used the word "short" hoping we -- we did 10 minutes before, when we had extensive pleadings. I don't know. The Board probably needs to set -- if you want to set a time, you can. Or you can just rely on counsel to be appropriate. It's up

1 to the Board. 2 THE CHAIR: Rely on people to be 3 appropriate? 4 MS. WALKER: Okay, appropriate. Do I have 5 time for rebuttal, though? 6 MR. NELSON: That would be, that would be what would be normally an appropriate process. 7 8 MS. WALKER: Okay. Okay, thank you. To be clear, and I think Fred explained this well, is that 9 we're asking for the two proceedings to be stayed while 10 our appeal -- or our petition is heard by the Court of 11 Appeals. The State Court of Appeals. 12 13 As you are aware, there's a, a four-part test that are written into the rule -- the relevant 14 15. rules that's been given to you by every party. So I'm going to explain the factors that I think suggest that 16 there's a compelling reason, under that four-part test, 17 that you stay those proceedings. 18 19 And the first one is that it's the job of the Utah courts to determine standing. As, as the appellate court has said, it has the duty and power to say what the law is, and to ensure that it's uniform throughout the jurisdiction.

And you have probably never heard of "standing" before three or four months ago. And, as y

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The second reason, and another reason why this issue should be given to the courts to grapple with, is because the Clean Air Act requires access for groups like the Sierra Club to judicial and administrative proceedings. As the EPA has said:

"All affected members of the public must be allowed to challenge PSD determinations."

And as you recall, this proceeding is about a PSD permit. The statement made by the EPA in the Federal Register, which was recently referenced by the United States Supreme Court, in a dissent states that: State implementation plans, including those parts dealing with PSD permits, must provide that all affected members of the public be allowed to challenge those permits.

And in Utah, remember, there's two situations that mean that that, that statement applies to this Board. The first is that all parties -- all entities must exhaust their administrative remedies. So

if you deny Sierra Club access to this proceeding, you are essentially denying them access to the state courts.

And the other reason is is that the standards are the same. As you recall, in your own rules it says that the standards are those established under Utah law by the Utah courts.

And this is what EPA said: The EPA interprets the existing law and regulations to require an opportunity for state judicial rule -- review, I'm sorry, of a PSD permit action under approved PSD SIPs by permit applicants and affected members of the public in order to ensure an adequate and meaningful opportunity for public review and comment on all issues within the scope of the permitting decision, including environmental justice concerns and alternatives to the proposed source.

The EPA believes that an opportunity for public review and comment, as provided in the statute and regulations, is seriously compromised where an affected member of the public is unable to obtain, obtain judicial review of an alleged failure of a state to abide by its PSD SIP permitting rules. Accordingly, all such persons, as well as the applicant, must be able to challenge a PSD permitting action in a judicial forum.

And later in the same statement the, the EPA goes on to say it believes that Congress intended such an opportunity for state judicial review of PSD permit actions to be available to permit applicants, and at least those members of the public who can satisfy threshold standing requirements under Article 3 of the Constitution. And that means the United States constitution.

And based on EPA's analysis of Virginia's proposed SIP, it determined that Virginia did not allow sufficient judicial -- public review processes, public access to the judicial courts -- to the state courts, I'm sorry. And therefore refused to review Virginia's SIP -- I'm sorry, refused to approve Virginia's SIP.

So the conclusion from this is that, again, the expertise of the Utah courts is necessary because more than just the permits before this Board is at issue here.

Third, the Sierra Club will be harmed significantly if this proceeding goes forward without The Board will make decisions. All sorts of decisions. And the parties will undertake all sorts of activities as this proceeding goes forward. And the Sierra Club won't be a part of them.

The longer this goes on, the more prejudiced

and activities include discovery, motion practices, motions, advocacy on any of the issues that might arise in the course of pretrial preparation of the case. And, ultimately, the trial preparation itself. Including direct and cross examination of witnesses at trial, and the opportunity to present testimony and evidence at trial at their own initiative.

And these decisions matter. As everyone knows, getting in at the ground level is critical if you are going to influence decision makers. No one wants to wait until the last minute to give their take on a particular issue.

In other words, once the proceeding goes on, and the longer it goes on, the more difficult it will be to backtrack, and to unscramble the egg, and allow the Sierra Club a fair opportunity to participate in the proceeding.

The fourth is the issue of efficiency. If the Sierra Club is successful, the proceeding is gonna have to start over. There's gonna be new discovery.

There's gonna be new schedule. There's gonna be -- new depositions will have to be taken. New issues before this Board.

And essentially the public servants involv

And fifth, there's no strong arguments to suggest that waiting will harm anyone. It's merely a delay of the process. And none of the arguments put forward by any of the parties suggest otherwise.

You've been presented with the argument that Sierra Club doesn't have standing to ask for a stay of the very proceeding that they were denied participation in. Now, this argument makes no sense, because the whole idea behind a request for a stay is that the party that lost has an opportunity to appeal. That the fairness of that appeal is preserved by staying the proceedings, because to do otherwise would unfairly prejudice them. And third, that the decision may be wrong.

That's the whole premise, that the decision may be wrong. So if you assume the, the premise that the decision may be wrong is invalid, you are undermining the rule. So in other words if you say,

"Well, we're gonna assume that our decision is right, and therefore that you don't have standing to proceed, well, that's undermining the very notion of the stay to begin with.

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There's this issue of whether an amicus is good enough. And therefore, somehow, the Sierra Club won't be harmed, because it's allowed to participate as an amicus but not as a full party. And as, as I already pointed out, all the activities and the decisions that the Board will be making as this procedure -- as this process goes forward, that, in that context, full-party status is very different than amicus status.

For example, without status -- this

full-party status, as you've already seen, the Sierra

Club has been excluded from scheduling matters. Already
that decision has been made by this Board. We -- Sierra

Club can't make motions. We can't participate in

discovery. We can't advocate on the issues that arise
in pretrial preparation. And ultimately, we can't
participate in public -- I mean, I'm sorry, in the

trial. In preparation for the trial.

In addition, particularly in the SPC matter, we raised a lot of issues that were not raised by the citizens' group. Those issues won't be addressed at all. And, therefore, amicus status won't be anything

like full-party status.

So just to sum up, I think that the, the fact that the courts are in a better position -- are in the best position to address this matter. That this matter does raise, as the fourth factor suggests, presents serious issues on the merits. That should be the subject of further adjudication by the courts, who are in the best position to do so.

And based on that, and based on the harm that will occur to the Sierra Club, and the lack of harm that will occur to anyone else, and the public interest in not redoing this proceeding should the Sierra Club be successful in their appeal, favors a stay in both proceedings. Thank you.

THE CHAIR: Mr. Finlinson?

MR. FINLINSON: I'm Mr. Finlinson, representing the Sevier Power Company. Just to start out initially, the -- Counsel has just encouraged you not to -- basically, to turn over your decision-making process to the court. Apparently you don't have the ability to make those standing decisions.

And yet your rules require you to deal with the issue of standing. Your rules set forth that, that that standing is supposed to be governed by the, the Utah case law dealing with standing. And you have that

and approve it, then I just think that she might finally suggest that you don't have the authority to approve; we ought to have that reviewed by the court as well.

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I think you have that obligation to make that decision. And the review at the circuit court by the Court of Appeals is one on the record that you've looked at. They don't bring in new evidence. And the court has to conduct a review, really, to determine whether or not your decision was arbitrary or capricious. Or that it wasn't supported by any of the evidence upon which was presented to you. And you basically ran away with a decision and didn't pay attention to the Utah law.

That's a pretty tough standard for the appellates to, to meet. And so I think you need to remember that and keep that in perspective. We think that if a party lacks standing to, to require the review of a permit, they probably don't have enough standing to ask you to stop the review of that process.

That's basically what's happened in this case. I'm not sure that you can be a party without standing. The issues of staying are pretty much a very guarded option that's available during an appellate process. It's not granted very easily. There's a very

difficult four-part test. You have to meet every one of the four parts in order to be justified, based on your own rules, which are consistent with the rules of our judicial system.

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Stay is not really a very favored option. They're not granted lightly by the courts, and shouldn't be granted lightly by this Board. Even if they had the standing to make the suggestion to request the stay, we submit to you that they failed to meet the four-part test.

They talked about irreparable harm. But what is the harm that's gonna be suggested in a hard -- part of the system. And your actions are done in public. And they have that issue. And we submit that they fail to meet them. They talk that -- they have to convince you, or the court, that the injury to the Sierra Club is gonna be far more irreparable than the injury to the project. Or to the state in its regulatory process.

They're basically requesting that this body, the Board of Air Quality, stop whatever you are doing until the court makes a decision on standing. That could run anywhere up to 18 months. And so your work on what you are trying to accomplish as your administrative responsibility has to come to a halt.

The carrying cost of a \$500 million project a capital project, for a year's worth of just sitting still is pretty significant. And I think that that far outweighs the harm that would be cost to the Sierra Club.

The question of whether or not it's adverse to the public interest. If the public's interest is having an abundance of renewable or energy that is available that is driven by a legitimate process, that public interest will be adverse to the decision of, of, of holding that.

And the fourth standard is to look at

-- they have to show that they have a substantial
likelihood that they'll win. And you have looked at the
case law, you've heard the testimony, and you've made a
decision that they don't have standing.

That decision will go to the, to the Circuit Court of Appeals. They'll have to decide whether or not you erred in making that decision. That the evidence that you heard doesn't support your ruling. I submit to you that the evidence was submitted, and will justify that your decision was an appropriate decision. I don't think that there's a slam dunker that they're likely to prevail in that part.

And then there's a third item that I wanted

And that appeal -- or the cost of that bond for a \$500 million project, or probably an even greater amount for the Intermountain Power Project because their client was gonna be bigger than ours, that cost is pretty expensive to put up that kind of a bond. If the Sierra Club can convince you to stop your state process, that prevents us from the protection of the supercilious bond.

And the -- and so by, by granting -- because you don't have a rule in, in your process that allows you to put up a bond in case they don't prevail. The court system does. So if the Sierra Club can convince you to do that, they get a stay that stops you, without the benefit of a bond to protect the other parties like they would in the court system.

So I -- we would urge you that, one, that their petition for you to stay should be denied, based on those issues that we've submitted.

\$500 million project. It's a 270 megawatts net It uses coal, but it uses a circulating fluidized bed technology instead of the pulverized coal process that the power plants for Utah Power & Light, over the mountain in Huntington, Utah.

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So it's, it's a pretty clean process. a 270 megawatt net production. We probably have about 250 megawatts that would be available for sale.

MR. BURWELL: And when are you scheduled to begin construction?

MR. FINLINSON: We're not gonna start until

So until this issue is resolved, that project is really kind of on a hold. As would any other project. Because in your regulatory capacity you have that assignment to make sure that, whoever the applicant is, that they line up with the requirements of the Clean Air Act to be entitled to receive a permit. Thank you.

MR. HALEY: Good afternoon. I'm George Haley, I represent IPA. And I have with me Lance Lee, who is the individual at IPA who's responsible for coal procurement. And I'd like to have him just use part of my time. I'll be brief.

I agree with what Mr. Finlinson said in terms of laying out the standard. I just have a couple of additional comments, and I won't repeat what he has said. But the rule that's at, at play here and controls your decision is R307-103-10. And it places, on the party who is seeking the stay, the burden of establishing all four of those elements that you already heard us talk about.

And I would submit, you don't have to go beyond the first one. And the first one is that the

The other point I want to make is these four standards that are articulated in that rule are essentially the preliminary injunction standard that you have in court. They've kind of taken it from a long body of case law in the Rules of Procedure and plugged it into the Administrative Rules.

The one thing that's not there is this bonding issue that Mr. Finlinson mentioned. And I would submit that that is a good reason why the motion to stay should be denied. If it's denied, the Sierra Club has the clear remedy to seek a stay in the Court of Appeals. They've already filed their appeal. So really the -- already the Court of Appeals has jurisdiction.

And there's a rule precisely on point, which is Rule 17 of the Rules of Appellate Procedure, that says if an application in front of a board like this is denied, and the motion for stay is denied, they can seek redress in the Court of Appeals. And the Court of Appeals can consider whether or not a bond should be

issued,

Which, I think, is the fairest way and the most sensible way to proceed. Because the other element that they will not be able to establish is that, in terms of weighing the damages, that the damage is so much higher for IPA than it would be the Sierra Club.

And I'm gonna have Mr. Lee just briefly tell you some of the analysis he has made on what the cost of delaying this for some year and-a-half, two years, who knows? Once, once an appeal is taken, it's an indefinite period of time.

MR. LEE: Mr. Haley asked me to spend a brief moment here and discuss -- go briefly with you an analysis -- quick analysis that I did on potential harm that could be -- come to the project if a delay is incurred.

As you are well aware, our price of energy has went up over the last few years. In particular coal has increased in the price, over the last two years, about 30 percent per year. So by delaying the project it has a huge impact on potential to cost this project tens of millions of dollars. Especially when you are talking on order of 3 million tons a year.

The financial community quite possibly could require us to enter into long-term agreements. And if

 you delay that and the price of coal moves up further as it has in the past, it could literally cost us hundreds of millions of dollars.

Interest rates have been low these past few years. Our analysis has taken in account some inflation of those interest rates. But as we have seen in the past couple years, interest rates continue to creep upwards, not downwards. So there is very real harm that can be caused to this project by delaying it.

I would go more into cost of the coal,
but -- and exact contracts that we have to prove where
price of coals went, but we have confidentiality clauses
in our agreements that don't allow me to discuss -disclose those.

MR. HALEY: Thank you. But I think that really makes the point in terms of weighing what would be the relative harm on a, on a stay that -- it's clear that it could have the impact of at least tens of millions at a minimum, to hundreds of millions of dollars to this project.

Which would have a corresponding increase in the price of power that's gonna be generated out of that project, which is not in the public interest to increase the price of power. There's also the need of power, and delaying that over time as you are looking forward.

The, the west is growing rapidly, and there's an increasing need to have power generation.

So I, I would argue that the Sierra Club has wholly failed to meet its burden of establishing really any of the four points. But they only need to fail to establish one of the four points in order for the denial to be appropriate.

And then, again, I would just say that the Board got it right in its order of, of May 12th. That the Sierra Club has appealed it. At this point, I think the appropriate thing to be is let the Court of Appeals deal with this issue.

If they think they should have a stay, let them argue it in the Court of Appeals. Let us argue what the appropriate bond would be. Because you shouldn't just be able to come in, and for a piece -- price of a piece of paper be able to cost my client tens or hundreds of millions of dollars.

They ought to be able -- they ought to be forced to post a bond to cover what our harm would be if their appeal is unsuccessful. Which we, of course, strongly believe that it will be, just as the Board found in its May 12th order that there wasn't a legal basis for standing.

And as what the arguments that Ms. Walker

1	made about the EPA's position. The EPA, with all due
2	respect, what their view is is not controlling on this
3	Board, nor the courts of the State of Utah. That's
4	controlled by the Utah Supreme Court. Which was the
5	basis of the decision those decisions that we argued
6	And with that, I'll submit it. I think the
7	motion should be denied. Thank you.
8	MR. BURWELL: Can you, can you describe the
9	company that you are representing and, and what's the
10	background of that company?
11	MR. HALEY: The IPA is a quasi-governmental
12	entity. It's in Millard, Utah. It has or Delta,
13	Millard County. It has two existing units. We've
14	petitioned to build a third unit on the same side.
15	MR. BURWELL: What does "quasi-government"
16	mean?
17	MR. HALEY: It was set up by the State of
18	Utah. It has governmental immunity. It's
19	MR. BURWELL: Well, is, is IPA an acronym?
20	MR. LEE: Intermountain Power Agency.
21	MR. BURWELL: Okay.
22	MR. LEE: It's a political subdivision of
23	the State of Utah.
24	MR. BURWELL: Are there any private
25	shareholders of IPA?

eligible for a stay.

By its terms the rule requires, as the other parties have said, that all four elements of the rule must be satisfied. And the failure to satisfy even one is fatal to the request of a stay. But it's also worth pointing out that the granting or denial of a stay is discretionary with the Board.

The rule says that the Board may deny -- may deny or may for -- I guess a better way to say it would be may grant a stay if those elements are satisfied.

But there is no obligation, even if all the elements are satisfied, for the Board to grant the stay.

Just briefly, to, to cover the four elements of the rule from the perspective of the Executive Secretary. Sevier Power, in the case of the Sevier Power appeal, Sierra Club has been granted amicus status. They will be able to participate, albeit not as a full party.

They will partic -- they have participated in both the Intermountain Power and Sevier Power appeals for, for the notice of intent stage of the permits --

Their viewpoints and their issues have been raised to the Division. The Executive Secretary, when he made the decision to issue the permits, factored in the information that was submitted and the arguments that were raised by the Sierra Club. So the arguments have been raised.

I think it's worth pointing out also, as Mr. Haley said, the Sierra Club, in the, in the eyes of this Board, was not able to convince the Board that they were harmed enough to have standing. Which is a lower standard. They -- it would be hard to argue that they're being harmed on a higher -- to a higher degree, rising to irreparable harm, to grant the stay.

In fact, Sierra Club's own motion seems to suggest that there may not be any harm at all. Sierra Club mentions that there will be harm to the environment if the permits are issued and all and these plants are allowed to be built. But they also say that there won't be any harm to the other parties because the plants aren't going to be built anytime soon.

Which just begs the question of why a stay is necessary if the plants, which would presumably,

Secondly, as a related matter, the alleged threat of injury to the Sierra Club does not outweigh the damage to the Executive Secretary. This is an important point to the Executive Secretary and the Division of Air Quality. Sierra Club is not yet a party to these proceedings. Non-parties should not be permitted to use an administrative stay, which is what they're asking for here, to interfere with the ability of the parties to these appeals to seek a resolution of their dispute.

It's very likely that if the stay is granted Sierra Club will argue not only that the existence of the stay enjoins the parties from taking any action formally before the Board, but it would also allow them to -- in effect to veto any discussions of settlement among the parties. This approach is not contemplated by the administrative process as outlined in the rules.

The Executive Secretary wants to protect the Division of Air Quality's ability to perform its regulatory mandate without a non-party's interference.

If the Court of Appeals determines that the Sierra Club is a party, it is true that these proceedings would begin again. However, if -- the Executive Secretary submits that it would be against the public interest to force the parties who are actually parties in these proceedings to sit on their hands for 12 to 18 months, or possibly longer, until the Court of Appeals rules on the standing determinations.

And just to wrap up -- I don't want to take too much time, because the other parties have done a very good job of covering the, the elements of the rule. Whether this request for agency action issue presents issues of public importance, that is a straight out of the standing test.

Just two months ago, this Board determined that the issues that Sierra Club was presenting did not rise to the level of significant public issues. It would seem very strange now for -- to apply the same test for a motion to stay, and argue that all of a sudden the issues have become serious enough in the last

two months to warrant the issuance of a stay. Thank you.

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THE CHAIR: I'd like you -- if you would like to make a rebuttal. And then we'll open it to questions from members of the Board to any of the parties.

MS. WALKER: Thank you. Initially I'd like to correct a suggestion that the standard of review that the appellate court would apply would be arbitrary and capricious. Actually, the standard of review and what that means is how much deference the Court of Appeals would give this Board.

Because standing is a question of law, and particularly in this case, where the Board did not question the facts that the Sierra Club and the Grand Canyon Trust put forward. Those facts were taken as given, and merely applied to the law, or the law was applied to those facts. In that case the standard review gives no deference to this Board.

Therefore, the standard that we have to meet in order to overcome this Board's decision is essentially we just have to show what the law would say. No deference is given to your decision. So to the extent that -- the suggestion is is that we have this giant hurdle to overcome.

That's not valid. We're essentially starting over, with the Court of Appeals. On the basis, certainly, of what was in the record, but we don't have to sort of overcome your decision.

It's true that the stay is discretionary.

And, as you also know, there's a provision that we quoted in our brief that gives you discretion to provide a remedy during the pendency of -- well, I'll just read it.

It says: Unless precluded by other statute, the agency may grant a stay of its order or other temporary remedy during the pendency of its judicial review according to the agency's rule. So essentially it's wide open for you to make the determination that you feel is best in this case.

On this issue of harm, the -- first of all, the focus of the harm in the standing case is harm by the project. So completion of the project approved by the permit, essentially. The issue of harm here today under the four-part test is the harm that the Sierra Club would suffer if the proceeding goes forward. So the harm is essentially what would happen to us if discovery occurs, scheduling occurs, that sort of thing.

And on the flip side of that is that currently there is no stay of the construction of the

facilities that have been approved by the permits. So all this suggestion that the parties are gonna -- or that the applicants are gonna be harmed by some delay in their ability to build things or to acquire coal is irrelevant, because there's no stay.

We're asking for a stay of the proceeding. Currently there is no stay of the construction of the facilities. Now, it doesn't say we won't ask for one somewhere down the line, but we haven't asked for one yet. Because, as far as we know, there's no proposals right now to actually go ahead and do that.

There's also been this issue of bonds. Now, first of all, the issue of bonds is not in your four-part test. And secondly, typically when environmental groups and public interest groups seek stays, typically they are not required to post bond. Or, if so, it's very minimal. You know, that's a whole 'nother issue that essentially would have to be decided by the Court of Appeals.

But there's no guarantee that we're -- that the Sierra Club is gonna be forced -- if they get a stay from, for example, the Court of Appeals, there's no suggestion that, that we would be forced to post some giant bond. Typically, public interest groups don't post bonds. Or, if they do, they're very small.

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And there was this suggestion that, because Sierra Club has submitted comments along -- during the comment period provided by the Division of Air Quality -- which, of course, we appreciate those opportunities -- that somehow all our needs have been met.

Well, the whole point of having a proceeding and judicial -- ultimately possibly judicial review of the decision of the Division of Air Quality is because the idea is that you want independent review. And that's what this Board is supposed to do; independently review the decisions of the Air Quality Board.

Up until now, the Air Quality Board has made all the decisions. Albeit based on public input, but there's been no independent review of that decision. This proceeding is supposed to allow independent review. It's not at all the same as making comments it -- the --

in the public comment period. It's just not the same thing.

And the suggestion that settlement could occur merely underscores the harm that Sierra Club would suffer if settlement were allowed to be negotiated while it was seeking judicial review of this Board's decision. I mean, essentially a settlement goes a long way towards resolving the issue completely.

would have to be a part of those settlement negotiations. So the sug -- the suggestion that, that somehow the Board shou -- I mean the DAQ shouldn't be hampered in its ability to conduct settlements merely underscores the fact that Sierra Club should be involved in anything that occurs, or would be if it was granted full-party status.

And that these sort of decisions, that have a lot of impact on this proceeding, shouldn't be allowed to made -- be made until the Court of Appeals addresses our -- the standing issue. And there was a suggestion that the Sierra Club is turning these arguments on -- well, that, that the Sierra Club is somehow saying -- trying to remove jurisdiction of this matter from this Board and placing it in the Court of Appeals.

But by the same token, when the applicant

And I think that, given particularly that there is no stay on construction, so that the parties — the applicants presumably can start building tomorrow if they want to. That there is no real harm except for to the Sierra Club, because they're being excluded from a proceeding.

The longer it goes on, the more prejudice the Sierra Club will incur. That really wouldn't harm anyone if it were delayed, particularly given because no one is being prevented from constructing their facilities in the meantime.

And I think the final issue is is that standing is confusing. And the courts are better positioned to address it. They wrote the opinions that you are trying to apply to our facts. And, because there may be questions still in your own mind -- maybe not -- but certainly you realize that this is an issue new to you, that's accustomed to the courts.

Let them decide it, before the Sierra Club

1 goodness. 2 MR. NELSON: Well, at this point the only briefing is a two-page ~-3 MR. GROVER: Okay. 5 MR. NELSON: -- document that says "we. 6 appeal." 7 MR. GROVER: Okay, well that was my 8 question. Is have you asked the Circuit Court of 9 Appeals for stay of these proceedings pending a termi determination of your standing issue? 10 11 MS. WALKER: The -- we have to ask you first. That's the way the --12 13 MR. GROVER: So it's not --14 MS. WALKER: -- process is laid out. ask you first. Which is why, if you remember, we were 15 16 in such a hurry, because --17 MR. GROVER: So they wouldn't determine it's 18 not right until we've determined -- made our 19 determination is what you are saying? 20 MS. WALKER: Basically. I mean, the way it goes is we ask you first. Either you -- and then based 21 22 on your decision here, we go to them. If you grant us a stay, then we just go straight to the merits. If you 23 don't, then we ask them for a stay. 24 25 MR. GROVER: Okay. I just wanted to know

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MR. BURWELL: -- to the Board members?

MS. WALKER: I, I think what you are asking is if we've provided the basis for essentially what -an appeal of the, of the Department of Air Quality decision on the permits. And yes, we have. That's in our request for agency action.

And we laid out, I'm forgetting, but I think 19 very specific points with regard to the IPP plant, and I believe 9 or so with regard to the SPC plant. And they deal with emissions, visibility, impacts on national parks, things like that. And I would hope that you have been provided with those pleadings.

MR. NELSON: Because he is a new Board member, I don't know whether you've been sent previous packets. But that doesn't matter.

1 MS. WALKER: Uh-huh. 2 MR. NELSON: I think you just got the motion 3 for stay. 4 MR. BURWELL: I believe so, yeah. 5 MS. WALKER: Okay. But maybe -- I -- it will probably be too late to -- once you get them the 6 7 Board will have made a decision already. But essentially, you know, they're based on the, the issues 8 9 we raised. 10 MR. BURWELL: Your assessment of the emissions for the two plants? 11 12 MS. WALKER: Yeah, and the permitting of those emissions, essentially. They focus on, on those 13 And whether they comply with state and federal law. 14 15 MR. BURWELL: And you mentioned the Grand Canyon Trust. You represent both; two different, 16 17 disparate, distinct entities? 18 MS. WALKER: That's right. 19 THE CHAIR: Mr. Horrocks? 20 MR. HORROCKS: Ms. Walker, in your initial presentation you made a statement that if this Board 21 denies the motion for stay, that we would essentially be 22 denying the Sierra Club access to the courts. I was... 23 24 Did I miss hear you? Did -- or could you

elaborate?

MS. WALKER: No. Well, I, I don't know if you misheard me or not. But certainly if that's what I said, it's very confusing. What I meant is, you know, I brought up this whole issue of, of the EPA and whatnot to suggest that this is a complicated situation that should be handled by the courts. And that this raises a lot of questions. Let the courts deal with it.

Issue a stay in the meantime because, from our perspective, fairness requires it. But what I wanted to say is that, when I was quoting the EPA saying the Clean Air Act requires judicial review of PSD permits, that in our situation here in Utah, essentially whatever standard that is applies to this Board as well.

And the two reasons are is that the standing requirement is the same for the Board as it is for the courts because the Board is trying to apply the, the court standard to this proceeding. And the second is is because to, to -- under our Administrative Procedures Act no entity can go straight to the courts without going through this Board, because they are required to exhaust their administrative remedies.

So essentially the point I was trying to make is, is that what the EPA says about standing is re -- and standing relative to the courts, is relative to the -- it matters to this Board as well. And the

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to interact in terms of that court process because you

filed a case, would you not?

MS. SEGHINI: So you would have full ability

MS. WALKER: Yeah. But what we're --

MS. SEGHINI: To defend your position that you do have standing?

MS. WALKER: Yes. But what we're asking the Board to do in the meantime while we're working that out -- and I'm certainly not complaining about our access to the Court of Appeals. We're fine with that. But what we're saying is in the meantime would you hold up, delay these proceedings.

So that if it turns out that we're right and we have standing, that we're not prejudiced by the fact that the proceedings have gone forward without us. So certainly we're plenty happy with our ability to seek review of your decision.

MS. SEGHINI: Thank you.

THE CHAIR: Any other questions? Probably for the benefit, since we've had a -- oh, yes. We'll give Mr. Finlinson, yes.

MR. FINLINSON: Mr. Finlinson. I'd just like to offer a rebuttal piece of information. The question is could the plant go forward because we do have a permit that authorizes us to construct. It was granted by the Executive Secretary. But in today's market you wouldn't get past first base, in terms of anybody who had to put up the financing for that project

of saying, "Do you have a valid permit?"

We'd say, "Yes, we have a valid permit. But it's subject to the review process that we're presently going through." And that process of being able to say, "Yes, we have a valid permit," will probably take longer if it goes through the, the question in the Circuit Court of Appeals on standing.

But even though we have a permit, I can assure you that we don't have 500 million -- speaking of the current company -- to go do that. My guess is the Intermountain Power Project doesn't have the additional money that they have -- would be required to come up with, until that permit issue is resolved through the review process. Both the administrative and the judicial process.

So you are not going to see construction until their permit that is gone through the process of a review.

MR. HALEY: Just for the record --

THE CHAIR: Yeah, let's Mr. Haley and

then...

MR. HALEY: Just for the record, IPA/IPP joins in the comments of Mr. Finlinson. That would go for us as well.

MS. SHOOP: I just had a quick question of

Mr. Finlinson. As I understand, what you just said is that regardless of, of -- however long it takes for this matter to work its way through the Utah court systems is however long it's gonna be before the power plant is constructed?

MR. FINLINSON: Exactly. On, on either power plant.

MS. SHOOP: So is there really harm to the, the power companies if this proceeding is stayed if, if what is really the, the thing that's gonna hold you back is the, is the Court of Appeals process?

MR. FINLINSON: Well, yes. But in the Court of Appeals there's the protection of whatever that bond will be. And she suggested that it would be minimal or small. And, of course, we're gonna urge the court to, to get it to reflect the true amount of the damage.

And there is a process in the appellate procedure for the presentation of the different opinions of what that bond ought to be while -- if, if they considered granting the stay. Now, the test at a -- the Court of Appeals are basically the same tests that you have. It's still a four-part process. And, and it will be contested there as well.

But the net result is if, if that stay is put in place, where if you grant it, that stops us from

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likelihood that they'll probably fail. But in the appellate court, they have to deal with that issue. whatever protection is afforded by the, the bond is simply not available at this level.

MR. HALEY: May I address your question from my perspective?

There would be an additional practical problem that we would have, in terms of trying to reach. a resolution on the, the SS --

startup/shutdown/maintenance issue. If there was a stay issued, that would stop basically everything.

Right now, while the appeal of the standing issue is going forward, we could continue to try to resolve the remaining issues on, on the, the

So it would be inefficient from that perspective. And then there's also the bonding issues that -- we think if they're -- if they want to proceed with the appeal, then we will argue in the Court of Appeals that they should -- the Sierr -- "they" being the Sierra Club, should have to post a bond for the damages that we would incur as a result of a delay on going out to the capital markets, or to a lock in our long-term coal contracts.

MS. SEGHINI: I have another question.

THE CHAIR: Yes.

MS. SEGHINI: My question is this. The previous decision of the Board was -- indicated that the Sierra Club had no standing. And that is what they're appealing. Would it make a difference in their ability to participate in discussions if we, as a board, give them amicus standing -- if I'm saying that correctly -- so that they, then, would be part of the discussion, even though they wouldn't have legal standing?

MR. NELSON: Let me comment. They were granted amicus standing in the Sevier Power Company

The, the difference between amicus and party status, as best I can describe it, is that when you are a party you have a right to fully participate in the proceedings. Which means that you can present testimony, present witnesses, file motions, cross. examine. And participate as if you were one of the, the parties like the Executive Secretary and the company.

An amicus status gives an ability to present a brief or make oral comments on what has been presented. And so you can file briefs on issues. You can file information with respect to what the record in the but it does not require any kind of a legal standard to be granted participation. Amicus is just at the discretion of the Board.

The party status, however, you have to demonstrate, as we went through the process, of standing, and the ability to participate and demonstrate the intervention requirements.

MS. SEGHINI: I have one other question, and I apologize because I missed the last meeting. As we've gone through the permitting process, have we not carefully examined the emissions standards and the expected emissions from these two plants, and whatever

the Board, we denied Sierra Club standing in those

1 issues two months ago.

First, I am a little uncomfortable with that. But, you know, we do vote by a majority vote.

And it was a -- in the statement that I signed on behalf of the Board, we found that this power plant construction is not a major public issue.

For someone who's been involved in Western Regional Air Partnership, we go through all these meetings, we talk about dust, and we talk about vehicles, but we always get back to stationary sources. They're the big one that affect air quality in the West.

And the WRAP has certainly devoted a substantial amount of its resources to the best available retrofit technology for the plants that predated BART. The upgrading of power plants, such as the initiative that PacifiCorp has taken on their own to reduce emissions from the plants.

So I think they are major public issues, as proven by how much time we spend talking about it in forums like the WRAP. And it's also been said, "Well, the citizens have had their chance, during the public comment period, to provide their input." And that -- but that's the, the advocates talking to the agency staff.

As a board, we are the ones who are suppos

to review whether the staff correctly interpreted -- or correctly applied what was presented in the hearings.

Again, by a majority vote, we chose not to do that. I'm personally gonna welcome -- would welcome the guidance of a court on these complicated questions of standing.

And I think that's what's before us. So there -- that's my input. Is there other discussion from members of the Board before we ask for a motion?

MR. BURWELL: Well, I -- can I make a comment? As a new member it, it seems as if, you know, I've joined the Economic Development Board as opposed to an Air Quality Board. And it seems like our responsibility is around air quality, not the arguments put forth around the economic impact on a couple power plants.

And from that standpoint, you know, the fact that an organization has raised questions around the air quality impact of two projects, and as a board we did not give them standing, you know, raises questions around what our motivation, our goals, and objectives are.

Again, if, if the arguments by another organization are these impact the air quality, and the arguments by the other projects are around the economic impacts of the project, you know, what, you know, I

think -- isn't it our responsibility to enforce the a quality of the state for the citizens? And make sure that we're doing the right thing in that regard?

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MR. GROVER: Well, I think the law requires us to look at harm. It didn't say any air quality harm. We don't really operate in a vacuum is what I'm saying. Yeah, we deal with air quality issues. But when the law says we have to follow and look at certain things, one of which is harm, then we have to look at it.

So, I mean, I understand what you are saying. And it seems like we're getting off into areas that we don't know, that we think we're experts at, perhaps, because we're here because of our air quality knowledge. But, you know, having sat through the hearings and everything, we were required -- the law specified exactly what we were supposed to determine for standing.

And it was harm. We had to determine whether there was harm or not harm to those that were actually petitioning. So -- it would have been nice if we didn't have to, but that's what the law required us to do. So, I mean, I'm just kind of defending the position. And there was a lot of discussion about that during the meeting. So it wasn't --

MR. BURWELL: Harm, harm to the parties, of

harm to the air? ì 2 MR. GROVER: Well --MR. SAMUELSON: Harm to the parties. 3 MR. BURWELL: Okay. 4 MR. GROVER: But the Sierra Club made 5 arguments that actually talked about environmental harm 6 as well --7 MR. BURWELL: Okav. 8 MR. GROVER: -- the public advocacy 9 position. So there was all of that. There was all --10 elements of that. But I think specifically we looked to 11 what the -- the law required us to make a finding as to 12 13 whether there was harm or not, so. And I think that's one of the standards here 14 again, is another irreparable harm. We have to look at 15 That could be -- it doesn't say just air quality. 16 You have to say, you know. If us, by staying an air 17 quality decision, we'd have to look at the harm that 18 would result from that from an economic standpoint as 19 20 well. So I don't think it limits us just to 21 environmental harm. Maybe Fred can correct me if I'm 22 23 wrong, but. The -- you are looking at, with 24 MR. NELSON: respect to a stay, at the harm, again, to the parties, 25

The reason that this standard is set with the requirements that are listed there, and it marries up as was indicated with what the judicial process would be in granting a stay, is that there is a -- there is usually a deference on the part of the court to maintain the status quo.

Whatever decisions have been made should stay in place, unless you can demonstrate those four criteria. And if those four criteria then meet certain requirements, then the Board or the court will step in and say, "We're going to go outside the status quo for the moment and put a stay in place." Depending upon those criteria, and those criteria being met.

MS. BUNKER: In regard to Mr. Grover's comments, I am assuming that when this was discussed before, all of these things were discussed. It, you know, pro and con and everything, when the -- when you had the, you know. This wasn't held in a vacuum; is that right?

MR. GROVER: Well, there was, I don't know, at least two or three inches of briefs on --

MS. BUNKER: That's what, that's what,

1 of questions were asked. 2 MR. NELSON: There was a split --3 MS. BUNKER: However --4 MR. NELSON: There was a split vote on every 5 motion. 6 MS. BUNKER: But whatever, the majority 7 ruled on that though, you know. That wasn't -- that was the voice of the Board. After, you know. 8 was 5-4 or, you know, 6-1, whatever. That is -- that 9 was the voice of the Board. 10 11 MR. NELSON: Right. 12 MS. BUNKER: Right? Okay. 13 THE CHAIR: So. 14 MS. SEGHINI: Just in, in terms of the discussion. Is our job to protect industry, or is our 15 job to protect the environment? And our job always is 16 17 to protect the environment. That's why we regulate industry. And that's why we look at the regulations. 18 That's why we have very rigid requirements before 19 20 permits are, are issued. 21 Certainly the, the stationary sources are 22 going to emit a certain amount of pollution. But in our 23 society if we can control that so that it meets the 24 requirements for a healthy environment, then we can

function better as a society. I hate to think what it

would be like to be without electricity.

MR. GROVER: I think, I think we're kind of presupposing, though, that that's what the -- that's what the rules and all the determinations that are made by the Executive Secretary takes that into consideration. I mean, I -- I'm just saying I, I don't know that -- we weren't really reviewing the big global environmental, you know, regulatory scheme when we were reviewing it.

We were just reviewing the specifics of this particular request involving this permit which the Executive Secretary had granted, and said it had been reviewed, and that the laws had been followed. And I think, you know, Mr. Veranth raised an issue. Maybe there's some interpretation he didn't agree with.

But that wasn't the determination of the Executive Secretary. And the petition was to say -- you know, to take that basically from the Executive Secretary to review -- the Air Quality Board to review that. Which they did. And one...

THE COURT REPORTER: I'm sorry?

MR. GROVER: Speak up? Okay. For one of the applicants. But for the other we just didn't find they had the standing to raise the issues, because they didn't meet the specific criteria that the law required

us to review, so.

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MS. SEGHINI: Okay.

MS. SHOOP: I have a question. It's probably for the attorneys. But I guess my question is how would it affect the appellate process if the Board were to permit a stay of the proceedings only for a limited period of time while the parties asked the court to determine whether or not a stay -- a full stay was appropriate? I don't even know if that's possible, procedurally possible.

THE CHAIR: I guess...

MR. NELSON: You want me to comment? I think that the Board can do whatever it wants to on the particular kind of matter. If that's what the Board decides it would like to do, it has the authority to do that.

MR. SAMUELSON: Mr. Chairman? You know, I, I am struck by Mayor Seghini's comment, you know, that it is our duty to protect the environment. And I fully endorse that. And she also mentioned, you know, can we envision ourselves living in a community or a world without electricity. And I think most of us cannot.

The rules and regulations, the standards that we have, don't represent what's healthy and what's not healthy. None of this is healthy. Okay? What it

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And so while we, we have to balance that, I think it's, it's much more a question of degree rather than black and white. We have to balance the need for power. And I think we would all have to admit that we have a need for power. We also have to balance that against the fact that, that any amount of these pollutants is unhealthy.

It's a question of degree. We can probably exist longer with less. But can we exist at all without electricity? So, you know, I -- as I'm listening to both arguments I'm struck by, you know, the tendency to declare one side wrong and one side right. And obviously it's never that simple.

For me the question seems to be, who is harmed most? And does our granting a stay really result in tens of millions of dollars to the power companies? In which case, that's considerable harm. Does our denial of a stay prevent the Sierra Club from pursuing, you know, their mission of protecting the environment. These are not clear-cut questions.

It sounds to me that no matter what we do, this ends up in court; is that correct?

THE CHAIR: Probably.

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MR. SAMUELSON: Okay. Is, is there any action of the Board that prevents this from ending up in the court.

MR. NELSON: Well, it really is already in court on the, on the motion to intervene. Let, let me describe what I think the two choices are. The choice of denying the stay means that this Board would go forward with the proceedings.

That means that you would hear the IPP appeal of its own permit on that particular provision. You would also hear the Sevier Power Company appeal by the Sevier Citizens' Group. You would go forward with that proceeding.

If, at some point in time, the Sierra Club prevails in the Court of Appeals, they would then come back to the Board and would be a party to the proceeding. And at that point they would raise the issues that they have raised in their petition to intervene.

Depending upon where those two processes are at the point -- at that point, they would -- there may have been some decisions that the Board would need to re-look at because they had not had a, an available process to present their own witnesses or present their own testimony. But they would not be denied an

You may have some kind of a precedent value, because you've decided some issues with respect to concurrent proceedings, that you would say, "Well, wait a minute. We decided this. Now, in looking at this information that the Sierra Club is presenting, do we want to decide it differently?" Which is what happens in courts every day. You have different parties arguing different issues, and they then have precedence and decisions.

So that would be the one process that the Board would, by denying the stay, that would be the process. If you grant the stay, what that would mean is that the administrative proceedings would wait until the decision is made by the appellate court. And, depending upon how that decision went, the Sierra Club would be a party to the proceedings or not a party to the proceedings, and then the Board would go forward.

So that's the really the two options that the Board has. Now, if there's any disagreement with my description...

Uh-oh, there was.

THE CHAIR: Okay, I think we're gonna let you.

MR. HALEY: George Haley on behalf of IPA
The only thing I just want to do is respond, first of
all, to what Ms. Shoop was saying about -- in terms of
modifying some kind of order pending the, the Court of
Appeals' determination of stay.

As a practical matter, it wouldn't be necessary. They have to act, like right now. They've already filed their appeal. So in order to have a stay issued it would -- they would have to do it within the next 30 days anyway. Nothing is gonna happen during that time frame. So as a practical matter, that remedy would already be there.

And then the only other thing in terms of what Mr. -- what Fred was saying is that I just want to draw the attention back to the four-part test. In order to issue the stay it's not just weighing those two issues, what you prefer. But you have to, you have to decide that the Sierra Club has met all four of those elements of the four-part test. Including the, the damage issue. The irreparable harm issue. Which is really the --

MR. NELSON: I, I appreciate that clarification. My comments went simply just to the process. Not the standard in making the decision.

THE CHAIR: Mr. Finlinson?

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We have been involved in a procedural issue of who can come and have a seat at the table. And we have not yet, and, and until you start into the administrative review of the actual permit, all of this skirmishing that's going on is delaying the review to see whether or not the decision of the Executive Secretary was, in fact, consistent with the requirements of the Clean Air Act to provide the right kind of balance that we've been talking about that you need to have, and see whether or not the application meets the requirements for permitting a coal-fired plant.

So until we can get into the administrative process, you are not really dealing with the issue of what's in the permit. And whether the permit was the appropriate thing to do. You are not protecting the environment. We're skirmishing. And we're submitting that granting a stay by this Board delays the administrative review of whether or not the decision is

actually right.

impact.

THE CHAIR: Mr. Stephens and Ms. Walker?

MR. STEPHENS: Chris Stephens, Attorney

General's office. To use a very pedestrian analogy,

granting a stay is like hitting pause on a remote

control. Everything just kind of freezes where it is.

Now, depending on the side you are on, that either works

for you or it works against you. No matter what

decision the Board makes today, it's gonna have an

I just thought I'd point out though that, like Mr. Finlinson was saying, we're dealing with the legal aspects of whether the Sierra Club has demonstrated that it has met the threshold requirements for participating in these proceedings. Two months ago the Board decided that it did not.

The standards for issuing a stay are not overly different from the standards for establishing standing. So I just want to encourage you as you, as you weigh this decision, to reflect on the decision that was made over standing. Where does the balance lie with the harms -- the relative harms here?

If you ask Sierra Club, they're going to say that not having a stay is harmful to them. If you ask the, the Sevier Power and Intermountain Power, they're

THE CHAIR: Ms. Walker?

MS. WALKER: When, when Fred was describing the two choices before the Board, I would agree with his characterization of it. Except for, because I'm coming at it from the point of the Sierra Club, I would suggest that a process going on without a party is much more prej -- prejudicial than he suggested. Because all sorts of decisions are made along the way. And the members of the Board start to form opinions and make decisions.

And if they're not presented with all the sides, including the side of the Sierra Club, then those decisions that start to become ingrained aren't made with the benefit of what the Sierra Club can do or can present to the Board.

So in other words, to make well-rounded decisions that are based on all the facts that potentially the parties would want to bring to the Board requires holding off on the process until all the parties are or are not at the table, as the case may be.

В

So, so in other words, what I'm saying is that to allow the process to go forward really does impact our ability to influence you. That's what we want to do. We want to have the chance to influence you. And in order to do that, we need to be participating as a full party.

And all we're asking is that you wait until a decision on whether we're entitled to that is made by the courts, so that you don't start to make decisions and form opinions that we can't influence. Thank you.

THE CHAIR: Mr. Horrocks?

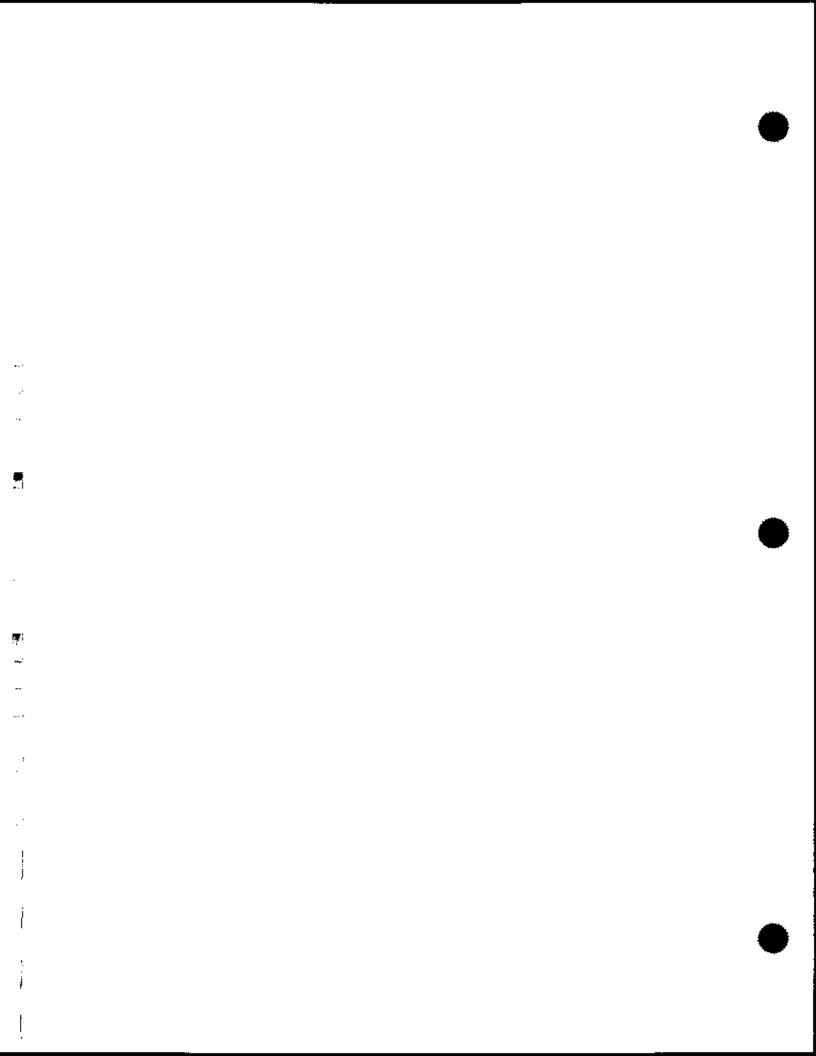
MR. HORROCKS: I, I agree with your start -statement earlier, John, that this is somewhat awkwar
today because of, of the new board members, and those
people that weren't present at the, at the main meeting.
Our focus in the main meeting was, was fairly narrow.
And that was to determine whether or not certain
entities had standing.

I believe the Board weighed that carefully. Considered the, the guidelines that were, were given to us by the various attorneys and, and attorneys representing the different entities. Our decision wasn't arbitrary and capricious. We weighed on it very heavily. And we made the decision based on the guidelines that we were constrained by.

1	not voting.	
2	UNKNOWN SPEAKER: Did anyone not vote?	
3	MR. WESSMAN: The Chair did not vote, and	
4	Mr. Wessman recused.	
5	UNKNOWN SPEAKER: Okay, thank you.	
6	THE CHAIR: All right. I think we have a	
7	decision of the Board. Thank everyone for their	
8	participation.	
9	MR. HALEY: Thank you very much.	
10	MS. WALKER: Just, Fred, just as a matter o	
11	process, are you going to do another order that will be	
12	signed soon?	
13	MR. NELSON: Yes. I, I think it will be	
14	a simple order. I'm not sure it needs to be brought	
15	back to the Board. And so we'll just get an order	
16	signed and, and I'll send it up to Mr. Veranth. It will	
17	just be more of a procedural order. Did you have a time	
18	frame that you were interested in getting that done by?	
19	MS. WALKER: As long as it's soon, that's	
20	fine with me.	
21	MR. NELSON: Okay. "Soon" being? I mean	
22	MS. WALKER: Well, what do you mean by soon?	
23	A week?	
24	MR. NELSON: I was gonna work with that	

effort, yeah.

MS. WALKER: Okay. And, and then just 1 another practical question. Is the transcript of 2 today's hearing gonna be made part of the record? 3 I think it's We could do that. MR. NELSON: 4 probably up to you to -- if that's your request, we 5 could do that. 6 Okay. 7 MS. WALKER: I mean, it -- I have to file a MR. NELSON: 8 transcript index -- or a record index by, I believe the 9 time frame the court set is 20 days from the time you 10 filed, and that means by next Monday. So what I may 11 have to do is file that record index, and then 12 supplement it. 13 MS. WALKER: Okay. 14 MR. NELSON: At a later time. 15 MS. WALKER: Well, I -- we would request 16 that this -- the hearing transcript be part of the 17 record. And if I need to do something to make -- to 18 facilitate that, if you would let me know. 19 I don't think you will. Ι MR. NELSON: 20 think we're going to get a copy of it, so that, that 21 will meet that requirement. 22 MS. WALKER: Okay. Thank you very much. 23 (The hearing on this matter was concluded at 3:12 p.m.) 24 25



<u>CERTIFICATE</u>

SS.

STATE OF UTAH

COUNTY OF SALT LAKE

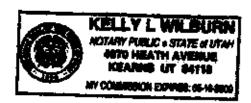
This is to certify that the foregoing proceedings were taken before me, KELLY L. WILBURN, a Registered Professional Reporter and Notary Public in and for the State of Utah.

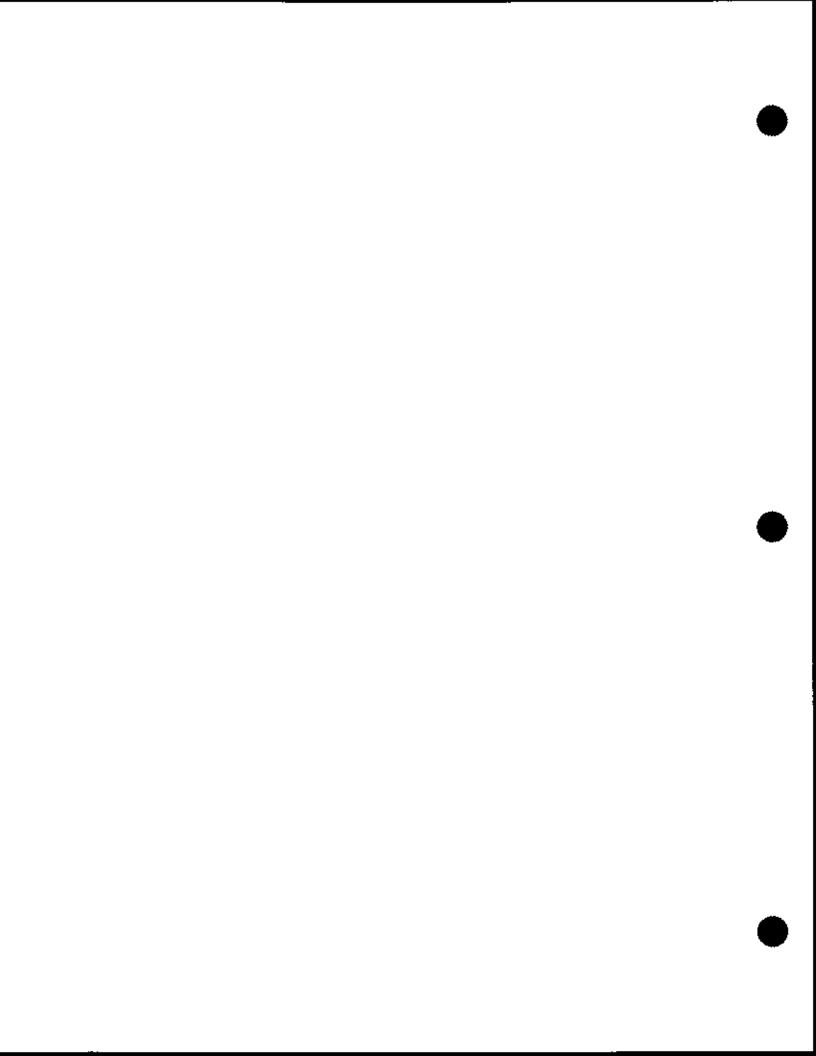
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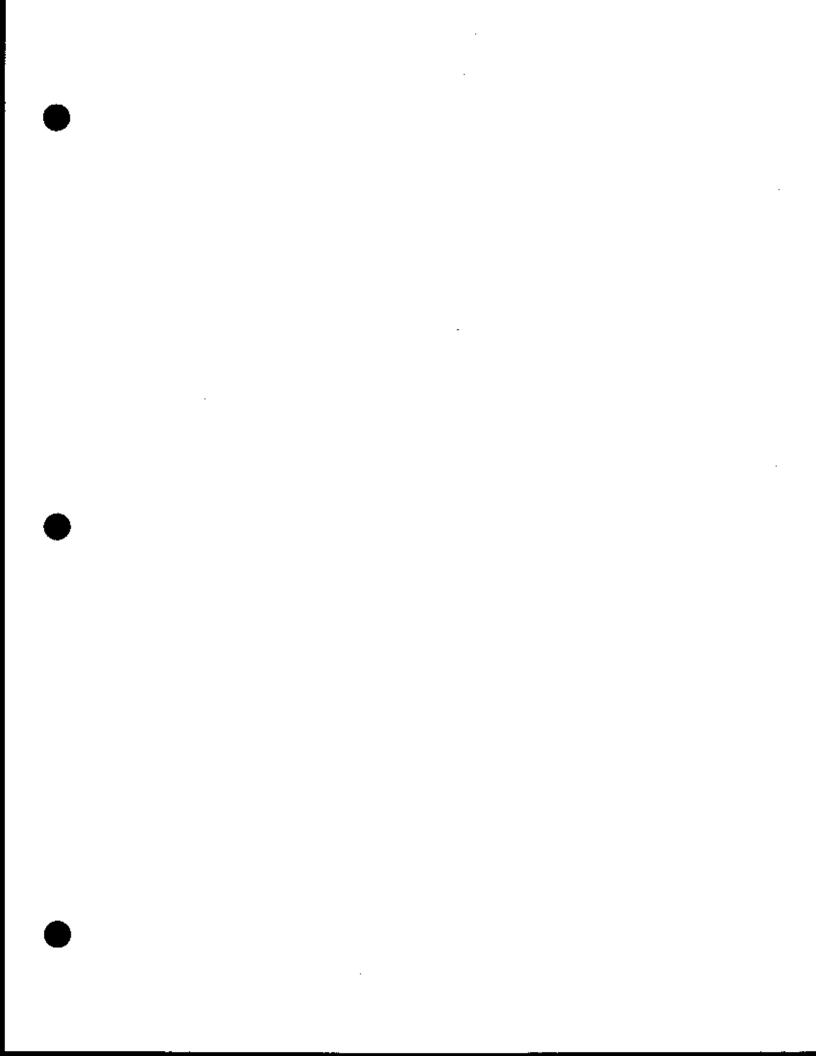
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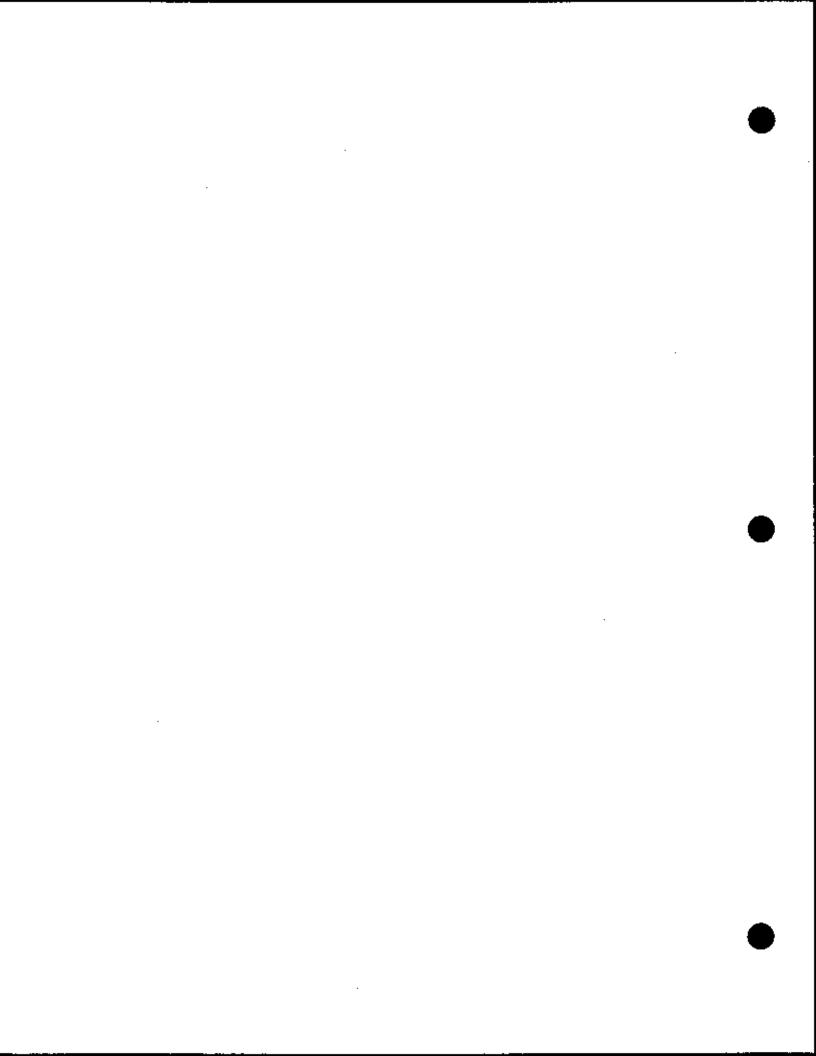
WITNESS MY HAND AND OFFICIAL SEAL AT KEARNS, UTAH THIS 8th DAY OF June, 2005.

Kelly IC Wilburn, CSR, RPR My Commission Expires: May 16, 2009









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TBA

2 MEMOS

DA-QC-1089-2005

DAQH 0538-05

4/13/2005 minutes



JON M. HUNTSMAN, JR. Governor

GARY HERBERT

Lieutenant Governor

Department of Environmental Quality

Dianne R. Nielson, Ph.D. Executive Director

DIVISION OF AIR QUALITY Richard W. Sprott Director DAQ-032-2005

MEMORANDUM

TO:

Air Quality Board

FROM:

Jan Miller

THROUGH:

Rick Sprott

DATE:

May 24, 2005

SUBJECT:

Propose for Public Comment: Amend R307-150 to Add Requirement to

Report Emissions of Tertiary Butyl Acetate

At the April meeting, the Board proposed for public comment a change in the definition of volatile organic compounds (VOCs). The change, if approved, will incorporate by reference the revisions made by EPA in the federal definition of VOCs, deleting five compounds. One of those compounds is t-butyl acetate, known as TBAC or TBAc.

At that time, there was discussion of what to do with the new federal requirement that TBAc emissions be reported to DAQ even though it is no longer a VOC. The Board asked that staff draft a rule for Board consideration that would incorporate the new federal inventory requirement. The Board was concerned that, because sources are subject to the federal requirements, Utah should make it easier for sources to meet the requirement by including it with other inventory requirements. Staff was concerned that TBAc may be a byproduct of some industrial processes and that sources may not know whether, or how much, TBAc they emit. Staff also was concerned that substantial changes would be required in DAQ's inventory process, including changes in workbooks used by sources and in the inventory database, with no environmental benefit.

Since the April Board meeting, staff has undertaken research to better understand the requirement and its implications for Utah sources. We have spoken with the lead EPA staff person, participated in a nationwide conference call conducted by STAPPA-ALAPCO where this new provision was discussed, and talked to potential Utah sources. From our multiple conversations with EPA staff and STAPPA-ALAPCO members, DAQ staff have learned:

- EPA staff said that they intend the rule to apply only to sources that add TBAc to compounds they manufacture: paint, adhesives, pesticides and cleaning compounds for machinery.
- EPA staff said that they have not considered how the TBAc reporting requirement fits within the federal Comprehensive Emissions Reporting Rule (CERR), nor how states will upload the TBAc information into the federal National Emissions Inventory (NEI). DAQ staff intends to ask STAPPA-ALAPCO to send a letter to EPA requesting that inventory changes be made by amending the CERR, not by addition to other federal rules.
- EPA's proposal of the rule (64 FR 52731, September 30, 1999) did not mention that EPA
 was considering requiring that TBAc be included as a separate inventory item, nor did the
 Preamble to the final rule discuss including it as an inventory item. It seems to have been
 added as an afterthought.
- Other states also have questions as to how TBAc emissions could be collected and reported, and why states or EPA would want that information.
- In the Federal Register notice, EPA said that TBAc emissions should be included in any future modeling, but it is not clear how it would be included, since the inventory would show the location where TBAc is added to a compound, but not the location where emissions occur when the compound is actually used.
- EPA is currently re-thinking its entire approach to exempting compounds from the VOC definition. Over the years, 45 compounds have been exempted, based on two different methodologies. Currently, EPA's Reactivity Research Working Group is considering how EPA should respond in the future to petitions to exempt compounds; EPA is expected to propose changes by the end of 2005.
- DAQ staff have spoken with the only two Utah sources (Companion Systems Incorporated and Delta Equipment Industrial Systems incorporated) in the SIC codes affected by the rule, and neither of them adds TBAc.

<u>Staff recommendation</u>: Attached is a draft of changes to the inventory rule that would be needed to add the requirement to inventory TBAc; the new language is found in Sections 5, 6, and 7.

However, staff recommends that the language not be proposed at this time. Adding it to our rules now will have no discernible effect on Utah sources. Since EPA is expected to overhaul its treatment of VOCs in the near future, staff prefer to make the necessary changes to inventory collection and reporting after EPA completes its more comprehensive changes.

R307. Environmental Quality, Air Quality. R307-150. Emission Inventories. R307-150-1. Purpose and General Requirements.

(1) The purpose of R305-150 is:

- (a) to establish by rule the time frame, pollutants, and information that sources must include in inventory submittals; and
- (b) to establish consistent reporting requirements for stationary sources in Utah to determine whether sulfur dioxide emissions remain below the sulfur dioxide milestones established in the State Implementation Plan for Regional Haze, section XX.E.1.a, incorporated by reference in R307-110-28.
- (2) The requirements of R307-150 replace any annual inventory reporting requirements in approval orders or operating permits issued prior to December 4, 2003.
- (3) Emission inventories shall be submitted on or before ninety days following the effective date of this rule and thereafter on or before April 15 of each year following the calendar year for which an inventory is required. The inventory shall be submitted in a format specified by the Division of Air Quality following consultation with each source.
- (4) The executive secretary may require at any time a full or partial year inventory upon reasonable notice to affected sources when it is determined that the inventory is necessary to develop a state implementation plan, to assess whether there is a threat to public health or safety or the environment, or to determine whether the source is in compliance with R307.
 - (5) Recordkeeping Requirements.
- (a) Each owner or operator of a stationary source subject to this rule shall maintain a copy of the emission inventory submitted to the Division of Air Quality and records indicating how the information submitted in the inventory was determined, including any calculations, data, measurements, and estimates used. The records under R307-150-4 shall be kept for ten years. Other records shall be kept for a period of at least five years from the due date of each inventory.
- (b) The owner or operator of the stationary source shall make these records available for inspection by any representative of the Division of Air Quality during normal business hours.

R307-150-2. Definitions.

The following additional definitions apply to R307-150.

"Acute Contaminant" means any noncarcinogenic air contaminant for which a threshold limit value - ceiling (TLV-C) has been adopted by the American Conference of Governmental Industrial Hygienists in its "Threshold Limit Values for

Chemical Substances and Physical Agents and Biological Exposure Indices, * 2003 edition.

"Carcinogenic Contaminant" means any air contaminant that is classified as a known human carcinogen (A1) or suspected human carcinogen (A2) by the American Conference of Governmental Industrial Hygienists in its "Threshold Limit Values for Chemical Substances and Physical Agents and Biological Exposure Indices," 2003 edition.

"Chronic Contaminant" means any noncarcinogenic air contaminant for which a threshold limit value - time weighted average (TLV-TWA) having no threshold limit value - ceiling (TLV-C) has been adopted by the American Conference of Governmental Industrial Hygienists in its "Threshold Limit Values for Chemical Substances and Physical Agents and Biological Exposure Indices," 2003 edition.

"Dioxins" and "Furans" mean total tetra- through octachlorinated dibenzo-p-dioxins and dibenzofurans.

"Emissions unit" means emissions unit as defined in R307-415-3.

"Large Major Source" means a major source that emits or has the potential to emit 2500 tons or more per year of oxides of sulfur, oxides of nitrogen, or carbon monoxide, or that emits or has the potential to emit 250 tons or more per year of PM10, PM2.5, volatile organic compounds, or ammonia.

"Lead" means elemental lead and the portion of its compounds measured as elemental lead.

"Major Source" means major source as defined in R307-415-3.

R307-150-3. Applicability.

- (1) R307-150-4 applies to all stationary sources with actual emissions of 100 tons or more per year of sulfur dioxide in calendar year 2000 or any subsequent year unless exempted in (a) below. Sources subject to R307-150-4 may be subject to other sections of R307-150.
- (a) A stationary source that meets the requirements of R307-150-3(1) that has permanently ceased operation is exempt from the requirements of R307-150-4 for all years during which the source did not operate at any time during the year.
- (b) Except as provided in (a) above, any source that meets the criteria of R307-150-3(1) and that emits less than 100 tons per year of sulfur dioxide in any subsequent year shall remain subject to the requirements of R307-150-4 until 2018 or until the first control period under the Western Backstop Sulfur Dioxide Trading Program as established in R307-250-12(1)(a), whichever is earlier.
 - (2) R307-150-5 applies to large major sources.
 - (3) R307-150-6 applies to:

- (a) each major source that is not a large major source;
- (b) each source with the potential to emit 5 tons or more per year of lead; and
- (c) each source not included in (2) or (3)(a) or (3)(b) above that is located in Davis, Salt Lake, Utah, or Weber Counties and that has the potential to emit 25 tons or more per year of any combination of oxides of nitrogen, oxides of sulfur and PM10, or the potential to emit 10 tons or more per year of volatile organic compounds.
- (4) R307-150-7 applies to Part 70 sources not included in (2) or (3) above.

R307-150-4. Sulfur Dioxide Milestone Inventory Requirements.

- (1) Annual Sulfur Dioxide Emission Report.
- (a) Sources identified in R307-150-3(1) shall submit an annual inventory of sulfur dioxide emissions beginning with calendar year 2003 for all emissions units including fugitive emissions.
- (b) The inventory shall include the rate and period of emissions, excess or breakdown emissions, startup and shut down emissions, the specific emissions unit that is the source of the air pollution, type and efficiency of the air pollution control equipment, percent of sulfur content in fuel and how the percent is calculated, and other information necessary to quantify operation and emissions and to evaluate pollution control efficiency. The emissions of a pollutant shall be calculated using the source's actual operating hours, production rates, and types of materials processed, stored, or combusted during the inventoried time period.
- (2) Each source subject to R307-150-4 that is also subject to 40 CFR Part 75 reporting requirements shall submit a summary report of annual sulfur dioxide emissions that were reported to the Environmental Protection Agency under 40 CFR Part 75 in liew of the reporting requirements in (1) above.
 - (3) Changes in Emission Measurement Techniques.
- (a) Each source subject to R307-150-4 that is also subject to 40 CFR Part 75 and that uses 40 CFR Part 60, Appendix A, Test Methods 2F, 2G, or 2H to measure stack flow rate shall adjust reported sulfur dioxide emissions to ensure that the reported sulfur dioxide emissions are comparable to 1999 emissions. The calculations that are used to make this adjustment shall be included with the annual emission report. The adjustment shall be calculated using one of the methods in (i) through (iii) below:
- (i) Directly determine the difference in flow rate through a side-by-side comparison of data collected with the new and old

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flow reference methods required during a relative accuracy test audit (RATA) test under 40 CFR Part 75.

- (ii) Compare the annual average heat rate using heat input data from the federal acid rain program (million Btu) and total generation (megawatt (MW) Hrs) as reported to the federal Energy Information Administration. The flow adjustment will be calculated by using the following ratio: (Heat input/MW for first full year of data using new flow rate method) divided by (Heat input/MW for last full year of data using old flow rate method).
- (iii) Compare the cubic feet per minute per MW before and after the new flow reference method based on continuous emission monitoring data submitted in the federal acid rain program, using the following equation: (Standard cubic feet (SCF)/Unit of generation for first full year of data using new flow rate method) divided by (SCF/unit of generation for last full year of data using old flow rate method).
- (b) Each source subject to R307-150-4 that uses a different emission monitoring or calculation method than was used to report their sulfur dioxide emissions in 1998 under R307-150 or 1999 under 40 CFR Part 75 shall adjust their reported emissions to be comparable to the emission monitoring or calculation method that was used in 1998 or 1999, as applicable. The calculations that are used to make this adjustment shall be included with the annual emission report.

R307-150-5. Sources Identified in R307-150-3(2), Large Major Source Inventory Requirements.

- (1) (a) Each large major source shall submit an emission inventory annually beginning with calendar year 2002. The inventory shall include PM10, PM2.5, oxides of sulfur, oxides of nitrogen, carbon monoxide, volatile organic compounds, and ammonia for all emissions units including fugitive emissions.
- (b) Each large major source that manufactures paints, varnishes, lacquers, enamels and allied products, or that manufactures industrial organic chemicals, shall submit an inventory annually beginning with calendar year 2005 for any tertiary butyl acetate added to manufactured products.
- (2) For every third year beginning with 2005, the inventory shall also include all other chargeable pollutants and hazardous air pollutants not exempted in R307-150-8.
- (3) For each pollutant specified in (1) or (2) above, the inventory shall include the rate and period of emissions, excess or breakdown emissions, startup and shut down emissions, the specific emissions unit that is the source of the air pollution, composition of air contaminant, type and efficiency of the air pollution control equipment, and other information necessary to

quantify operation and emissions and to evaluate pollution control efficiency. The emissions of a pollutant shall be calculated using the source's actual operating hours, production rates, and types of materials processed, stored, or combusted during the inventoried time period.

R307-150-6. Sources Identified in R307-150-3(3).

- (1) Each source identified in R307-150-3(3) shall submit an inventory every third year beginning with calendar year 2002 for all emissions units including fugitive emissions.
- (a) The inventory shall include PM10, PM2.5, oxides of sulfur, oxides of nitrogen, carbon monoxide, volatile organic compounds, ammonia, other chargeable pollutants, and hazardous air pollutants not exempted in R307-150-8.
- (b) Sources that manufacture paints, varnishes, lacquers, enamels and allied products, or that manufacture industrial organic chemicals, shall submit an inventory for tertiary butyl acetate added to manufactured products.
- ([\(\frac{1}{2}\)]c) For each pollutant, the inventory shall include the rate and period of emissions, excess or breakdown emissions, startup and shut down emissions, the specific emissions unit which is the source of the air pollution, composition of air contaminant, type and efficiency of the air pollution control equipment, and other information necessary to quantify operation and emissions and to evaluate pollution control efficiency. The emissions of a pollutant shall be calculated using the source's actual operating hours, production rates, and types of materials processed, stored, or combusted during the inventoried time period.
- (2) Sources identified in R307-150-3(3) shall submit an inventory for each year after 2002 in which the total amount of PM10, oxides of sulfur, oxides of nitrogen, carbon monoxide, or volatile organic compounds increases or decreases by 40 tons or more per year from the most recently submitted inventory. For each pollutant, the inventory shall meet the requirements of R307-150-6(1)(a) and (b).

R307-150-7. Sources Identified in R307-150-3(4), Other Part 70 Sources.

- (1) Sources identified in R307-150-3(4) shall submit the following emissions inventory every third year beginning with calendar year 2002 for all emission units including fugitive emissions.
- (2) Sources identified in R307-150-3(4) shall submit an inventory for each year after 2002 in which the total amount of PM10, oxides of sulfur, oxides of nitrogen, carbon monoxide, or

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volatile organic compounds increases or decreases by 40 tons or more per year from the most recently submitted inventory.

- (3) The emission inventory shall include individual pollutant totals of all chargeable pollutants not exempted in R307-150-8.
- (4) Sources identified in R307-150-3(4) that manufacture paints, varnishes, lacquers, enamels and allied products, or that manufacture industrial organic chemicals, shall submit an inventory for tertiary butyl acetate added to manufactured products.

R307-150-8. Exempted Hazardous Air Pollutants.

(1) The following air pollutants are exempt from this rule if they are emitted in an amount less than that listed in Table 1.

TABLE 1

CONTAMINANT	Pounds/year
Arsenic	0.21
Benzene	33.90
Beryllium	0.04
Ethylene oxide	38.23
Formaldehyde	5.83

- (2) Hazardous air pollutants, except for dioxins or furans, are exempt from being reported if they are emitted in an amount less than the smaller of the following:
 - 500 pounds per year; or (a)
- for acute contaminants, the applicable TLV-C expressed (b) in milligrams per cubic meter and multiplied by 15.81 to obtain the pounds-per-year threshold; or
- for chronic contaminants, the applicable TLV-TWA expressed in milligrams per cubic meter and multiplied by 21.22 to obtain the pounds-per-year threshold; or
- for carcinogenic contaminants, the applicable TLV-C or TLV-TWA expressed in milligrams per cubic meter and multiplied by 7.07 to obtain the pounds-per-year threshold.

KEY: air pollution, reports, inventories [2003]2005

19-2-104(1)(¢)

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BEFORE THE UTAH AIR QUALITY BOARD

RE:

MOTIONS TO STAY IN IPP AND SEVIER POWER APPEALS.)



TRANSCRIPT OF HEARING PROCEEDINGS

TAKEN AT:

168 North 1950 West Salt Lake City, Utah

DATE:

June 1, 2005

TIME:

1:41 p.m.

REPORTED BY: Kelly L. Wilburn, CSR, RPR



333 SOUTH RIO GRANDE, SUITE F. SALT LAKE CITY, UTAH 84101 (801) 328-1188 / 1-800-DEPOMAX FAX 328-1189

2 - Sided

TPP & SEVIER POWER Joro Walker, USB #6676 Sean Phelan, USB #10028 WESTERN RESOURCE ADVOCATES 1473 South 1100 East, Suite F Salt Lake City, Utah 84105 Telephone: 801.487.9911

Fax: 801.486.4233

Attorneys for Sierra Club-Utah Chapter and Grand Canyon Trust

BEFORE THE UTAH AIR QUALITY BOARD

In Re: Approval Order - PSD Major Modification to Add New Unit 3 at Intermountain Power Generating Station, Millard County, Utah

Project Code: N0327-010 DAQE-AN0327010-04

MOTION FOR STAY PENDING JUDICIAL APPEAL

MOTION BY SIERRA CLUB AND GRAND CANYON TRUST FOR A STAY OF PROCEEDINGS PENDING JUDICIAL REVIEW

By this motion and pursuant to Utah Admin. Rule R307-103-10(2), the Utah Chapter of the Sierra Club and the Grand Canyon Trust (collectively "Sierra Club") request a stay, pending judicial review, of the Board's May 11, 2005 Order denying them standing to contest the Utah Division of Air Quality's ("DAQ") Approval Order ("AO") granting a Prevention of Significant Deterioration ("PSD") permit to Intermountain Power Service Corporation ("IPSC").

i. Background

On November 16, 2004, the Sierra Club filed a Request for Agency Action ("Appeal") with the Utah Air Quality Board ("Board") contesting the DAQ AO granting a PSD permit to IPSC. The permit allows IPSC to construct and operate a 950 megawatt coal-fired power plant unit at the Intermountain Power Plant in Millard County, Utah. With its Appeal, Sierra Club filed a Statement of Standing and Petition to Intervene.

On November 12, 2004, IPSC also filed a Request for Agency Action, challenging the AO Condition 24 which states that "excess emissions due to scheduled maintenance, startup, and shutdown shall constituted a violation" of the permit. IPSC Request for Agency Action at 1. IPSC requested DAQ to revise the permit to eliminate the current provisions regarding scheduled maintenance, startup, and shutdown and to replace these provisions with an "automatic exemption" as allegedly provided in Utah Admin. Code R307-107-1. Id. at 2.

In its Appeal of the IPSC AO, Sierra Club also challenged Condition 24. Specifically, Sierra Club contended that the affirmative defense provision of Condition 24, dealing with scheduled maintenance, startup, and shutdown, is legally flawed and conflicts with state law and the federally approved State Implementation Plan. Sierra Club Request for Agency Action at 14. Sierra Club requested that this Board rescind the provision or remand the AO to DAQ with instructions that the affirmative defense provision in Condition 24 of the AO be expunged. Id.

IPSC also objected to Sierra Club's Statement and Petition in a brief dated January 28, 2005. At its April 13, 2005 meeting, the Board heard oral argument on the issue of Sierra Club's standing to bring its Appeal. The Board deliberated the matter and determined that Sierra Club did not have standing. This determination was finalized in an Order approved at the Board's May 11, 2005 meeting.

II. Sierra Club is Entitled to a Stay

Pursuant to Rule R307-103-10(2), the Sierra Club requests a stay of the Board's Order pending judicial review. Utah Admin. Code R307-103-10(2). Specifically, Sierra Club seeks a stay of the IPP proceeding - the adjudication of the legality of Condition 24 - while the Sierra Club seeks judicial review of this Board's decision that the organization did not have standing to bring its Appeal.

Rule R307-103-10(2)(a) of the Utah Administrative Code allows a party seeking a stay of a board's final order to file a motion to that effect. Rule R307-103-10(2)(b) states that the Board "may" grant a stay if the standards of Rule R307-103-10(1)(b) are met. These standards, in turn are:

- (i) The party seeking the stay will suffer irreparable harm unless the stay is issued;
- (ii) The threatened injury to the party seeking the stay outweighs whatever damage the proposed stay is likely to cause the party restrained or enjoined;
- (iii) The stay, if issued, would not be adverse to the public interest; and,
- (iv) There is substantial likelihood that the party seeking the stay will prevail on the merits of the underlying claim, or the case presents serious issues on the merits which should be the subject of further adjudication.

Utah Admin. Code R307-103-10(1)(b). At the same time, the Utah Administrative Procedures Act provides "[u]nless precluded by another statute, the agency may grant a stay of its order or

other temporary remedy during the pendency of judicial review, according to the agency's rules." 1 Utah Code § 63-46b-18.

Based on these standards, this Board, and the public interest, would be well-served by granting Sierra Club a stay of the proceedings while the organization appeals the determination that it did not have standing to bring its Appeal.

First, the Sierra Club will suffer irreparable harm unless this stay is granted. This is because some or all of the pending proceeding, the adjudication of the adequacy of Condition 24 of the IPSC permit, will occur without the Sierra Club's full participation as a party. As a result, the Sierra Club will be unable to conduct discovery, unable to make motions, unable to present the Sierra Club will be not be able to expert testimony and unable to cross-examine witnesses. The Sierra Club will be not be able to expert testimony and unable to cross-examine witnesses. The Sierra Club will be not be able to expert testimony and unable to a party based on the full range of methods and techniques influence decisions made by this Board based on the full range of methods and their typically available to a party. As this Board is exposed to the parties' arguments and their marshalling of the facts, and as this Board progressively makes decisions based on those arguments and facts, the Sierra Club will be increasingly prejudiced by its inability to participate in this proceeding as a party.

In addition, irreparable harm to the environment, human health, and the economic well-being of the citizens of the State could result if this proceeding is not delayed pending adjudication of the standing issue. In its Appeal, Sierra Club asserts that the law requires more stringent regulation of emissions released during scheduled maintenance, startup and shut down emissions that result in environmental, and economic harms and adversely impact human – emissions that result in environmental, and economic harms and is not allowed to bring health. If Sierra Club is denied full participation in this proceeding and is not allowed to bring its facts and arguments before this Board, as a party, in conjunction with the other parties, the result could well be a permit that insufficiently restricts harmful emissions.

Second, the harm caused by a delay of this proceeding will not be substantial.

Eventually, once the Sierra Club's appeal of the standing decision is resolved, all qualified parties can participate in a fair and complete hearing of the issues. No party will be prejudiced by this interruption because there is currently no stay of the AO and IPSC will not begin to construct its plant anytime soon. Thus, the irreparable prejudice to Sierra Club that would result if the proceeding were to go forward far outweighs the mere inconvenience that might result from a postponement of the proceeding.

Third, for the same reason, the public interest would not be harmed, and indeed, would benefit from a delay of this proceeding. Little or no harm would result as a consequence of a postponement of this matter. At the same time, if the Utah Courts ultimately find that Sierra Club has standing, the remedy would likely require reinitiation of this entire proceeding from the

Sierra Club's request for a stay of this proceeding can be characterized either as a stay of this Board's Order, which allows the proceeding to go forward based on its determination of the parties involved, or as a temporary remedy during the pendency of judicial review.

time the organization was excluded as a party. Starting over at the beginning would be costly, time consuming and inefficient and would therefore be detrimental to the public good.

Fourth, as the organization set forth in its Statement of Standing and Petition for Intervention and replies to the oppositions to its Statement and Petition, Sierra Club is likely to succeed on the merits of its Appeal. The Sierra Club has documented that it has representational standing to challenge the adequacy of the AO. Members of the Sierra Club live, representational standing to challenge the adequacy of the proposed construction and operation of work and recreate in areas that will be impacted by the proposed construction and operation of IPP Unit 3. They will suffer health, economic, aesthetic, environmental, and recreational injuries as a result of emissions from the planned expansion. Moreover, Sierra Club has properly pointed out that DAQ's decision to approve IPP Unit 3 is a matter of great public importance, with significant consequences that will be felt across Utah. As a result, the Sierra Club is entitled to significant consequences that will be felt across Utah. As a result, the DAQ approved permit ask this Board to review the relevant PSD permit and to ensure that the DAQ approved permit for the proposed coal-fired power plant is strictly in keeping with all applicable laws.

Similarly, the issue of Sierra Club's standing "presents serious issues on the merits which should be the subject of further adjudication." Utah Admin. Code R307-103-10(1)(b)(iv). Utah's courts are best equipped to determine the legal issue of Sierra Club's standing and should be given the opportunity to do so before this adjudication proceeds. Because the Utah Court of be given the opportunity to do so before this adjudication proceeds. Because the Utah Court of Appeals may well conclude that Sierra Club is entitled to full participation in this proceeding. Appeals may well conclude that Sierra Club is entitled to full participation in this proceeding until the justice, efficiency and the public interest are best served by postponing this proceeding until the court weighs in on the issue of Sierra Club's standing.

Wherefore, the Sierra Club respectfully requests that this Board stay its May 11, 2005 Order or otherwise grant temporary relief that would halt the adjudication of the DAQ AO for the PSD permit for the IPSC facility pending Sierra Club's appeal of that Order.

Dated: May 11, 2005

JORO WALKER

Attorney for Sierra Club and Grand Canyon Trust

² Sierra Club hereby references and incorporates herein its Statement of Standing and Petition for Intervention and its replies to opposition to its Statement and Petition.

CERTIFICATE OF SERVICE

I hereby certify that on May 11, 2005, I served a true and correct copy of the foregoing MOTION BY SIERRA CLUB AND GRAND CANYON TRUST FOR A STAY OF PROCEEDINGS PENDING JUDICIAL REVIEW on the following:

By Hand Delivery:

Rick Sprott
Executive Secretary
Utah Air Quality Board
150 North 1950 West
Salt Lake City, Utah 84114

Chris Stephens Assistant Attorney General Utah Division of Air Quality 150 North 1950 West Salt Lake City, Utah 84114

Fred G. Nelson Counsel, Utah Air Quality Board 160 East 300 South, 5th Floor Salt Lake City, Utah 84114

Richard Rathburn Assistant Attorney General 160 East 300 South Salt Lake City, Utah 84114 E. Blaine Rawson George Haley Holme Roberts & Owen 299 S. Main Street #1800 Salt Lake City, Utah 84111

Leray G. Jackson Millard County Attorney 259 North Hwy 6 PO Box 545 Delta, Utah 84624

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HOLME ROBERTS & OWEN LLP George M. Haley # 1995 E. Blaine Rawson #7289 299 South Main Street, Suite 1800 Salt Lake City, Utah 84111-2263 Telephone: (801) 521-5800 Facsimile: (801) 521-9639

Attorneys for Intermountain Power Service Corporation

BEFORE THE UTAH AIR QUALITY BOARD

In Re: Approval Order – PSD Major Modification to Add New Unit 3 at Intermountain Power Generating Station,

Millard County, Utah Project Code: N0327-010 DAQE-AN0327010-04 MEMORANDUM IN OPPOSITION TO SIERRA CLUB'S AND GRAND CANYON TRUST'S MOTION FOR STAY OF PROCEEDINGS PENDING JUDICIAL APPEAL

By way of this brief, filed pursuant to Utah Administrative Code R307-103-7, Intermountain Power Service Corporation ("IPSC") opposes the Sierra Club and Grand Canyon Trust's (collectively "Sierra Club's") Motion for a Stay of Proceedings Pending Judicial Appeal. IPSC requests that the Utah Board of Air Quality ("the Board") deny the Sierra Club's request for a stay of the Board's May 12, 2005 Order and the request to stay IPSC's appeal of Condition 24.

INTRODUCTION AND STATEMENT OF FACTS

Having failed at its first attempt to derail IPSC's proposed addition to its electric generating facility, Sierra Club takes this second bite at the apple through its Motion for Stay.

This Board should deny Sierra Club's Motion to Stay because Sierra Club fails to meet any of the four legal criteria established by the Board's rules for a stay. Additionally, based on this Board's May 12, 2005 Order, the Sierra Club is not a "party" to any proceeding before the Board regarding IPP Unit 3 and, by rule, does not have standing to seek a stay from the Board. These issues are explained in more detail in the Argument section below.

By way of background, IPSC filed in December of 2002 a Notice of Intent ("NOI") to construct and operate a 950 megawatt coal-fired power plant unit ("Unit 3") at the Intermountain Power Plant ("IPP") located in Millard County, Utah. The public comment period for the Unit 3 NOI began in April of 2004. An additional public comment period started in June of 2004 because of a defect in the public notice of the first public comment period. After considering the comments and information from both public comment periods, the Utah Division of Air Quality ("DAQ") issued an Approval Order ("AO") for the IPP Unit 3 project on October 15, 2004.

On November 16, 2004, Sierra Club filed a Request for Agency Action with the Board contesting DAQ's Approval Order granting a Prevention of Significant Deterioration ("PSD") permit to IPSC for Unit 3. Sierra Club's Request for Agency Action was accompanied with a Statement of Standing and Petition to Intervene.

On January 28, 2005, IPSC filed a Memorandum in Opposition to Sierra Club's Statement of Standing and Petition to Intervene. The Board held oral argument on April 13, 2005 on Sierra Club's Statement of Standing and Petition to Intervene. Following oral argument, the Board concluded that Sierra Club did not have standing to Request Agency Action contesting the DAQ's Approval Order granting IPSC's air permit.

The Board's final order denying Sierra Club's Statement of Standing and Petition to Intervene was entered on May 12, 2005 (attached as Exhibit A). Even before the Order was signed and entered, Sierra Club filed a Motion for Stay on May 11, 2005 requesting a "stay, pending judicial review, of the Board's May [12], 2005 Order" which denied Sierra Club standing.

ARGUMENT

I. THE BOARD SHOULD DENY SIERRA CLUB'S MOTION FOR STAY BECAUSE THE REQUEST FOR STAY DOES NOT MEET THE FOUR-PART TEST ESTABLISHED BY UTAH LAW.

The Utah Administrative Procedures Act ("UAP") provides that an agency may grant a stay of its orders during the pendency of judicial review and that the agency may grant the stay in accordance with its own rules. Utah Code Ann. §63-46b-18(1). The Board's rules with respect to requesting and granting a stay are set forth at rule R307-103-10 of the Utah Administrative to requesting and granting a stay are set forth at rule R307-103-10 of the Utah Administrative Code. R307-103-10-(2)(b) provides that the Board may only grant a stay if the following four standards are met:

- The party seeking the stay will suffer irreparable harm unless the stay is issued;
- (ii) The threatened injury to the party seeking the stay outweighs whatever damage the proposed stay is likely to cause the party restrained or enjoined;
- (iii) The stay, if issued, would not be adverse to the public interest; and
- (iv) There is a substantial likelihood that the party seeking the stay will prevail on the merits of the underlying claim, or the case presents serious issues on the merits which should be the subject of further adjudication.

Based on the Board's own May 12 Order, Sierra Club's Motion for Stay fails. A party seeking a stay must bring forth credible evidence that it meets the four-part test for a stay. Sierra Club's Motion to Stay does not provide any evidence that Sierra Club will "suffer irreparable Club's Motion to Stay does not provide any evidence that Sierra Club will "suffer irreparable harm," or "any threatened injury outweighing injury to IPSC," or that a stay "would not be adverse to the public interest," or that Sierra Club has a "substantial likelihood" of overturning on appeal the Board's May 12 Order regarding standing.

Sierra Club's Motion to Stay must be denied, first and foremost, because Sierra Club cannot establish, as required by rule, that they will suffer irreparable harm unless the stay is issued. Sierra Club argues that it will suffer irreparable harm because, without the stay, IPSC's Request for Agency Action regarding Condition 24 (which addresses emissions during startup, shutdown, and malfunction) will proceed without the Sierra Club.

Much like its previous arguments regarding standing, Sierra Club offers no proof that "irreparable harm" will actually occur. Instead, Sierra Club asks this Board to infer that irreparable harm will occur because of Sierra Club's absence from the proceedings. The mere absence of a party is not evidence of "irreparable harm." Just as Sierra Club failed to establish any credible evidence of injury or a causal link between its asserted harms and DAQ's actions in its arguments for standing, Sierra Club once again has failed to establish any credible evidence of "irreparable harm" or a causal link between the alleged irreparable harm and Sierra Club's absence from any future proceeding on IPP Unit 3's air permit.

Sierra Club also asserts that without a stay there will be irreparable harm to the "environment, human health, and the economic well-being of the citizens of the State." Sierra Club made these same general, unsupported arguments in its Statement of Standing and Petition to Intervene. Rejecting that argument, the Board specifically found in the May 12 Order that Sierra Club's allegations regarding "visibility, concern for public health, and global warming... did not rise to the level of being a demonstration of a distinct and palpable injury." Moreover, the Board found that Sierra Club could not establish that its concerns about the environment and public health were causally linked to the DAQ's approval of the PSD permit. Sierra Club has not presented the Board with any new or additional evidence that would change the Board's conclusions regarding the effect of the Approval Order on public health and the environment. Therefore, Sierra Club has not demonstrated that denying the stay will result in any irreparable injury to public health or the environment during the pendency of the appeal.

To obtain a stay, Sierra Club also must demonstrate that "[t]he threatened injury to the party seeking the stay outweighs whatever damage the proposed stay is likely to cause the party restrained or enjoined." R307-103-10(1)(b)(ii). As demonstrated above, Sierra Club has no evidence that it will be injured if a stay is not issued. IPSC, on the other hand, could suffer enormous additional costs if Sierra Club is granted a stay. A delay of this proceeding until the conclusion of Sierra Club's appeal could potentially delay this matter eighteen months or more, impacting IPSC's current construction schedule for IPP Unit 3 and the date IPP Unit 3 will be come operational.

A delay in construction and eventual operation of the plant could result in substantial cost increases. In fact, a delay of one year could increase the costs associated with IPSC's coal contracts by tens, or even hundreds, of millions of dollars. Moreover, if interests rates were to

increase by one full percentage point over this time frame, the increased financing cost potentially could be in the tens of millions of dollars. Due to the scale and nature of IPP Unit 3, significant delays in the project could impact the overall cost of the project by hundreds of millions of dollars. The potential economic impact to IPSC if a stay is granted far outweighs the non-harms identified by Sierra Club.

Third, Sierra Club must show that "[t]he stay, if issued, would not be adverse to the public interest." R307-103-10(1)(b)(iii). The potential economic impact of any delays in a utility project of this size is not in the public interest, as increased costs in the construction of IPP utility are project of the cost of power to the consumer. In addition, the western United Unit 3 would likely impact the cost of power to the consumer. In addition, the western United States is in desperate need of additional power generating facilities to meet increased future power needs, and for that additional power to remain affordable.

Finally, Sierra Club must demonstrate that "[t]here is substantial likelihood that the party seeking the stay will prevail on the merits of the underlying claim, or the case presents serious issues on the merits which should be the subject of further adjudication." R307-103-10(1)(b)(iv). The Board correctly found, and held in its May 12 Order, that Sierra Club lacks standing to challenge the permit for IPP Unit 3. Sierra Club cannot establish that they will likely prevail in their appeal of the Board's May 12 Order. There is no reason why the Board should believe that the very arguments asserting that Sierra Club has standing, which were rejected by the Board only a few weeks ago, will now succeed on appeal. Sierra Club has presented the Board with no evidence or legal argument that would suggest that Sierra Club will overturn the Board's denial of standing on appeal. Therefore, Sierra Club has not demonstrated a likelihood

of success on the merits. The Board should deny Sierra Club's attempt to delay the IPP Unit 3 project any longer.

II. THE BOARD CANNOT GRANT SIERRA CLUB A STAY AS IT IS NOT A PARTY.

The Board's administrative rule regarding stays specifically provides that "[a] party seeking a stay of the board's final order during the pendency of judicial review shall file a motion with the board." R307-103-10 (emphasis added). This administrative rule specifically provides that only a party may seek a stay from the Board pending an appeal. However, the Board specifically found in its May 12, 2005 Order that Sierra Club is not a "party" and has no standing in the present matter. Therefore, Sierra Club cannot seek a stay from the Board.

CONCLUSION

Sierra Club is not entitled to a stay because it has failed to meet the requirements of R307-103-10(1)(b). Furthermore, the Board found that Sierra Club lacked standing, Sierra Club is not a party, and the applicable regulations only allow a "party" to seek a stay before the Board. Sierra Club's Motion for Stay should be denied. Granting the stay would be unprecedented and could cause a significant increase in the cost of IPP Unit 3.

RESPECTFULLY SUBMITTED this 2 day of May, 2005.

HOLME ROBERTS & OWEN LLP

George M. Haley

Attorneys for Intermountain Power Generating

Station

CERTIFICATE OF SERVICE

I hereby certify that on May 23, 2005, undersigned served a copy of the foregoing MEMORANDUM IN OPPOSITION TO SIERRA CLUB'S AND GRAND CANYON TRUST'S MOTION FOR STAY OF PROCEEDINGS PENDING JUDICIAL APPEAL on

TRUST'S MOTION FOR STATE	
the following by:	
Joro Walker Sean Phelan Western Resource Advocates 1473 South 1100 East, Suite F Salt Lake City, Utah 84105	U.S. Mail, postage prepaid Hand Delivery Fax (#) Overnight courier Electronically via CourtLink
George W. Cross IPSC 850 West Brush Wellman Rd. Delta, Utah 84624-9522	U.S. Mail, postage prepaid Hand Delivery Fax (#) Overnight courier Electronically via CourtLink
Chris Stephens Assistant Attorney General Utah Division of Air Quality 150 North 1950 West Salt Lake City, Utah 84114	U.S. Mail, postage prepaid Hand Delivery Fax (#) Overnight courier Electronically via CourtLink
Richard Rathbun Assistant Attorney General 160 East 300 South Salt Lake City, Utah 84114	U.S. Mail, postage prepaid Hand Delivery Fax (#) Overnight courier Electronically via CourtLink
Fred G. Nelson Attorney General's Office 160 East 300 South, 5 th Floor Salt Lake City, Utah 84114	U.S. Mail, postage prepaid Hand Delivery Fax (#) Overnight courier Electronically via CourtLink
	Jammy M. Yomnisen

Exhibit A

,

BEFORE THE UTAH AIR QUALITY BOARD

In the Matter of:

Order re Petitions to Intervene

Unit 3, Intermountain Power Service
Corporation, Millard County, Utah
DAQE-AN0327010-04

*

On April 13, 2005, parties and participants appeared before the Utah Air Quality Board in the above-entitled matter for hearing on petitions to intervene by Sierra Club and Grand Canyon Trust, Millard County Commission, and PacifiCorp. Joro Walker and Sean Phelan appeared for Sierra Club and Grand Canyon Trust, LeRay G. Jackson appeared for the Millard County Commission, George Haley and E. Blaine Rawson appeared for Intermountain Power Service Corporation, Michael Jenkins and Martin Banks appeared for PacifiCorp, and Richard Rathbun and Christian Stephens appeared for the Executive Secretary. Utah Air Quality Board members present were John Veranth, Dianne Nielson, Jerry Grover, James Horrocks, Richard Olson, Jeffrey Utley, Marcelle Shoop, and Ernest Wessman. Mr. Wessman recused himself because of his employment relationship with PacifiCorp. Fred Nelson acted as counsel for the Board.

1. By pleading dated November 15, 2004, the Utah Chapter of the Sierra Club and Grand Canyon Trust (collectively referred to herein as "Sierra Club") filed a Request for Agency Action seeking review of the October 15, 2004 decision by the Executive Secretary of the Utah Air Quality Board to issue an Approval Order granting a permit to Intermountain Power Service Corporation ("IPSC") to construct and operate an additional coal-fired power plant Unit #3 at the Intermountain Power Plant in Millard County, Utah. The Sierra Club also filed a Statement of

Standing/Petition to Intervene. IPSC filed an opposition to the Sierra Club's petition to intervene. The Executive Secretary filed a response not opposing the petition. Sierra Club filed a reply.

- 2. By pleading dated December 23, 2004, the Millard County Commission filed a Statement of Standing and Petition to Intervene in the above-captioned proceeding. Sierra Club and the Executive Secretary filed responses opposing intervention by the Millard County Commission. Millard County filed a reply.
- 3. By pleading dated January 4, 2005, PacifiCorp filed a Petition to Intervene in the above-captioned proceeding, and included a Statement of Standing. The Sierra Club and Executive Secretary filed responses opposing intervention by PacifiCorp. PacifiCorp filed replies.

Parties and Intervention

Pursuant to UAC R307-103-6, the Executive Secretary and IPSC are considered to be parties to the proceeding. Sierra Club and Grand Canyon Trust must be granted intervention by the Board under UAC R307-103-6 in order to go forward with their Request for Agency Action. In addition, the Millard County Commission and PacifiCorp must be granted intervention in order to participate as parties in the proceedings.

The rules of the Board provide that a petition to intervene must meet UCA Section 63-46b-9 which requires a demonstration "that the petitioner's legal rights or interests are substantially affected by the formal adjudicative proceeding, or that the petitioner qualifies as an intervenor under any provision of law." The Board shall grant a petition to intervene if it determines that

- "(a) the petitioner's legal interests may be substantially affected by the formal adjudicative proceeding; and
- "(b) the interests of justice and the orderly and prompt conduct of the adjudicative proceedings will not be materially impaired by allowing the intervention."

Further, the Board rules provide that "[n]o person may initiate or intervene in an agency action unless that person has standing. Standing shall be evaluated using applicable Utah case law." UAC Section R307-103-6(3). Under Utah case law, standing is established under one of three general rules. First, a plaintiff may show some distinct and palpable injury that gives rise to a personal stake in the outcome of the dispute. If a plaintiff cannot meet the first standard, standing may still be established for important public issues if no one else has a greater interest in the outcome and the issues are unlikely to be raised at all unless that plaintiff has standing to raise the issues. Finally, a plaintiff may maintain a suit in a case that raises issues that are so unique and of such great importance that they ought to be decided in furtherance of the public interest. National Parks and Conservation Association v. Board of State Lands, 869 P.2d 909, 913 (Utah 1993).

Two additional principles, here applicable, are one, that if an association seeks standing, it must show that its individual members have standing. Sierra Club v Dept. Of Environmental Quality, 857 P.2d 982, 986 n.8 (Utah App. 1993), and two, the burden of proof is on the applicant to establish standing. Washington County Water Conservancy District v. Morgan, 82 P.3d 1125 (Utah Ct. App. 2003).

Intervention of Sierra Club

The Board denies intervention to the Sierra Club. Sierra Club has standing to pursue its

petition only if it can establish that it has a distinct and palpable injury resulting from the Executive Secretary's granting of the permit, that it is the most appropriate plaintiff to bring the action, or that it raises issues of such public importance that they ought to be decided in furtherance of the public interest. Sierra Club failed to meet any of these criteria.

Sierra Club presented affidavits from three of its members to support its claim of distinct and palpable injury. Brian Cass, an Arizona resident, who owns a home in Boulder, Utah, alleges that emissions from the plant would affect visibility on the Colorado Plateau and therefore impact his activities as a videographer and a person who recreates in the area. He also expresses a belief that emissions will impair his and his family's health when in Utah. He expresses concern that the value of his property would decrease and emissions would contribute to global warming. Stephen Trimble, resident of Salt Lake County, who also owns a home in Torrey, Utah, alleges that emissions from the plant would affect his activities as a photographer, author, and naturalist in the areas of the Great Basin Desert and Colorado Plateau by impacting visibility, his health and the health of his family, the value of his property, and that emissions would contribute to global warning. Ray Bloxham, a resident of Salt Lake County, who alleges he travels extensively and frequently in the Great Basin Desert and the Colorado Plateau, believes the plant would impair visibility, affect his health and the health of his family, and would contribute to global warning.

The Board finds that the Sierra Club has not met its burden of proof in demonstrating distinct and palpable injury. The allegations of effect on visibility, concern for public health, and global warming are general public concerns that do not establish a personal, particularized stake in the issuance of the permit. These general allegations raised by Sierra Club members do not

rise to the level of being a demonstration of a distinct and palpable injury. Further, no evidence is proffered that the general allegations of adverse impact on Sierra Club members are caused by the Executive Secretary's approval of the addition of a Unit 3 to the existing two units of the IPP power plant. These interests asserted by the members of the Sierra Club are interests that are shared in common by other members of the public at large and are not particularized. Finally, the affidavits do not demonstrate a connection between the alleged improper permitting actions and a particular injury to the three affiants, nor has Sierra Club presented other evidence to support those claims.

In addition, the Board finds that the issuance of the approval order for Unit 3 and information presented to the Board do not establish Sierra Club as the most appropriate entity to present public issues nor are issues raised of such great importance that would warrant standing being granted to the Sierra Club without a demonstration of particularized injury. Unit 3 is an addition to two already existing operating units. IPP Unit 3 is not unique, in that there are a number of coal-fired plants that are currently permitted in Utah. The rules of the Board outline a process for receiving public input on permits pending before the Executive Secretary. Pursuant to UAC R307-401-4, the public is invited to comment on proposed approval orders. Sierra Club submitted comments and the Executive Secretary considered those comments in issuing the permit for Unit 3. This process, in addition to the process of allowing petitions for rulemaking or requests to the Board to establish policy positions on issues of public interest, are proper legal forums for persons and organizations without particularized injury to have their issues considered. Unless a distinct and palpable injury is demonstrated, or another of the standing tests is met, the adjudicative process is not available to challenge a decision by the Executive

Secretary to grant a permit. This result constitutes a balancing of the interests and legal rights of those obtaining a permit with the right to challenge the permit if injury is demonstrated. Intervention by Millard County Commission and PacifiCorp

Having denied Sierra Club's petition to intervene, it is unnecessary to rule on the petitions to intervene of Millard County Commission and PacifiCorp who only petitioned to intervene in opposition to the issues raised by the Sierra Club.

DATED this 12 day of May, 2005.

Ush Air Quality Board

Notice of the Right to Apply for Reconsideration or Review

Within 20 days after the date this final order is signed in this matter by the Utah Air Quality Board, any party shall have the right to apply for reconsideration with the Board, pursuant to Utah Code Ann. § 63-46b-13. The request for reconsideration should state the specific grounds upon which relief is requested and should be submitted in writing to the Board at 168 North 1950 West, Salt Lake City, Utah, 84114. A copy of the request must be mailed to each party by the person making the request. The filing of a request for reconsideration is not a prerequisite for seeking judicial review of this Order.

Notice of the Right to Petition for Judicial Review

Judicial review of this Order may be sought in the Utah Court of Appeals under Utah Code Ann. § 63-46b-16 and the Utah Rules of Appellate Procedure by the filing of a proper petition within thirty days after the date of this Order.

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of May, 2005, I caused a copy of the forgoing Order re Petitions to Intervene to be mailed by United States Mail, postage prepaid, to the following:

Joro Walker Sean Phelan Western Resource Advocates 1473 S 1100 E Suite F Salt Lake City, Utah 84105

Rick Sprott, Executive Secretary Utah Division of Air Quality 150 North 1950 West Salt Lake City, Utah 84114

Chris Stephens Assistant Attorney General Utah Division of Air Quality 150 North 1950 West Salt Lake City, Utah 84114

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RICHARD K. RATHBUN, USB #5183 CHRISTIAN C. STEPHENS, USB #9068 Assistant Attorneys General MARK L. SHURTLEFF, USB #4666 Utah Attorney General 160 East 300 South, 5th Floor Salt Lake City, UT 84114 Telephone: (801) 366-0290

Facsimile: (801) 366-0292

Attorneys for the Executive Secretary

BEFORE THE UTAH AIR QUALITY BOARD

EXECUTIVE SECRETARY'S In the Matter of: MEMORANDUM IN OPPOSITION TO SIERRA CLUB'S MOTION FOR STAY PENDING JUDICIAL APPEAL

Unit 3, Intermountain Power Service Corporation, Millard County, Utah DAQE-AN0327010-04,

COMES NOW the Executive Secretary of the Utah Division of Air Quality (Executive Secretary), and hereby opposes Sierra Club and Grand Canyon Trust's (Sierra Club) Motion for a Stay of Proceeding Pending Judicial Appeal of the Utah Air Quality Board's (the Board) final order denying standing to Sierra Club in the above-encaptioned matter.

I. Introduction

On October 15, 2004, the Executive Secretary issued an Approval Order (AO) to Intermountain Power Corporation (IPSC) to build an additional unit at the Intermountain Power Plant in Millard County, Utah. On November 16, 2005, Sierra Club filed a Request for Agency Action pursuant to R307-103-3. Among other things, Sierra Club challenged IPSC AO Condition 24, claiming that the condition did not comply with the law.

On November 16, 2005, IPSC filed its own Request for Agency Action, also contesting AO Condition 24, albeit for different reasons. Through its request, IPSC petitioned the Executive Secretary to revise the disputed condition to provide an automatic exemption for

scheduled maintenance, startup, shutdown, and malfunction. The Board consolidated the requests.

Although the Executive Secretary did not oppose Sierra Club's standing, IPSC challenged Sierra Chub's Petition to Intervene. Specifically, IPSC argued that Sierra Club did not have standing to intervene. On April 13, 2005, the Board determined that Sierra Club did not have standing to pursue its challenge of the IPSC AO. The Board finalized this determination in an order signed on May 12, 2005. Sierra Club subsequently filed a Petition for Review with the Utah Court of Appeals on May 17, 2005, seeking review of the Board's denial of standing. Pursuant to Utah Administrative Code R307-103-10(2), Sierra Club desires a stay of any proceedings regarding Condition 24 of the IPSC AO. Specifically, while seeking judicial review of the Board's denial of standing, Sierra Club simultaneously seeks a stay of any further proceedings on the IPSC Request for Agency Action, the lone remaining issue in the IPSC matter.

II. The Board Should Deny Sierra Club's Motion for Stay

Section 63-46b-18(1) of the Utah Administrative Procedures Act provides that an agency may grant a stay of its own order: "[u]nless precluded by another statute, the agency may grant a stay of its order or other temporary remedy during the pendency of judicial review, according to the agency's rules." Utah Admin. Code R307-103-10 governs stays of the Executive Secretary's administrative orders and outlines how a petitioner requests a stay. Specifically, the Board "may order a stay of the order if the party seeking the stay" satisfies each of the following four requirements:

- (i) The party seeking the stay will suffer irreparable harm unless the stay is issued;
- (ii) The threatened injury to the party seeking the stay outweighs whatever damage the proposed stay is likely to cause the party restrained or enjoined;

- (iii) The stay, if issued, would not be adverse to the public interest; and
- (iv) There is substantial likelihood that the party seeking the stay will prevail on the merits of the underlying claim, or the case presents serious issues on the merits which should be the subject of further adjudication.

Utah Admin. Code R307-103-10(1)(b).

By its terms, the above rule requires that the party seeking the stay must satisfy all four criteria. Even if Sierra Club could satisfy all the criteria, the Board would still not be required to grant the stay. As the Executive Secretary demonstrates below, Sierra Club cannot satisfy any of the four standards.

II.A. Sierra Club Will Not Be Irreparably Harmed by a Denial of the Motion for Stay

Sierra Club has failed to show that it will be irreparably harmed by a denial of the stay. In its motion Sierra Club claims that "[n]o party will be prejudiced by [the granting of the stay] because there is currently no stay of the AO and ISPC will not begin to construct its plant anytime soon." Sierra Club Motion for Stay at 3. The Executive Secretary understands this statement to mean that regardless of the imposition of a stay, Sierra Club expects to receive an appellate ruling on its standing denial well before IPSC ever constructs Unit 3. If such is the case, the Executive Secretary submits that the very harm Sierra Club claims is irreparable could not take place, even in the absence of a stay. Unit 3 must be constructed for the harm to occur. But Sierra Club's own motion suggests that construction will not begin until long after the Utah Court of Appeals has settled the standing questions. Thus, any alleged irreparable harm is not only unlikely, it is impossible. Sierra Club's failure to satisfy this first requirement is fatal to its request to obtain a stay.

II.B. The Alleged Threat of Injury to Sierra Club Does Not Outweigh the Damage That Would Be Caused the Executive Secretary

The applicable provision of the Utah Air Rules states that to satisfy the second requirement, "the threatened injury to the party seeking the stay" must outweigh the "damage the proposed stay is likely to cause" the party to be enjoined. Utah Administrative Code R307-103-10(1)(b)(ii). This second requirement presents the greatest consequence for the Executive Secretary. Sierra Club is not now and never has been a party to these proceedings. Yet if the Board grants a stay, the existence of the stay may allow Sierra Club to interfere with any proposed resolution between the parties to the IPSC AO appeal.

The permit at issue here is IPSC's, not Sierra Club's. Nonparties should not be permitted to use an administrative stay to prevent the sound operation of government and interfere with the ability of a permit holder to seek a resolution to a dispute. If the Board grants the stay, Sierra Club will likely argue not only that the existence of the stay somehow enjoins both the Executive Secretary and IPSC from moving forward formally with the appeal, but also that the Executive Secretary and IPSC may not seek any resolution at all, either through a final Board order or negotiated settlement. Such an approach would allow a nonparty (Sierra Club) to impose a defacto veto over any action taken by the real parties in interest, the Executive Secretary and IPSC.

On the most basic level, the Executive Secretary seeks to protect the Division of Air Quality's ability to perform its regulatory mandate without a nonparty's interference. The Division of Air Quality staff meets routinely with sources to resolve permit and compliance issues after the Executive Secretary has issued final orders. If the board grants the stay pursuant to a motion from a nonparty and the stay has the effect Sierra Club appears to suggest, potentially all these regulatory functions could not take place without the participation or permission of an organization such as Sierra Club. The Board should not grant a stay where the purpose is to hamper or delay the regulatory functioning of the agency.

The Board has already decided that Sierra Club does not have standing. As shown above, granting the stay requested by a nonparty would permit Sierra Club to exert a measure of control over the actual parties. Unless and until the Utah Court of Appeals determines that Sierra Club has standing, Sierra Club should not be permitted to act as a full party, be it temporary, informal, or otherwise. Therefore, because issuance of the stay would allow Sierra Club to interfere with the progress of the proceedings, "the threatened injury to the party seeking the stay" would not outweigh the "damage the proposed stay is likely to cause" the Executive Secretary. Utah Administrative Code R307-103-10(1)(b)(ii).

Finally, Sierra Club asserts that "the harm caused by a delay of this proceeding will not be substantial." Sierra Club Motion for Stay at 3. The Executive Secretary respectfully disagrees with that conclusory assessment. A possible yearlong delay in the resolution of this matter is hardly a "mere inconvenience" to the parties. <u>Id.</u>

II.C. Granting the Stay Would be Adverse to the Public Interest

IPSC and the Executive Secretary are currently involved in settlement negotiations over IPSC AO Condition 24. If granted, the stay may hamper those negotiations, or even prevent a settlement from occurring. As a taxpayer-funded public entity, the Division of Air Quality seeks to perform its regulatory functions without undue delay or interference. Granting the stay might compel the Executive Secretary to forgo the benefit of resolving the dispute with IPSC in a timely manner, either by a Board order or through settlement. Therefore, granting the stay would be adverse to the public interest.

III.D. Sierra Club is Unlikely to Prevail on the Merits of the Underlying Claim and the Request for Agency Action at Issue does not Present Serious Issues That Should Be the Subject of Further Adjudication

Fourth, Sierra Club's motion does not show or explain how the organization will have a substantial likelihood of prevailing on the merits of the underlying dispute, or that its Request for

Agency Action presents serious issues that should be the subject of further adjudication. Specifically, Sierra Club was unable to make the necessary showing to convince the Board that Sierra Club had standing. Since appellate review of the Boards' order on standing will be restricted to the record, Sierra Club will be unable to present any new evidence to argue that it has standing. Moreover, Sierra Club's motion has also failed to show how the organization is likely to prevail on the merits in its challenges of the IPSC AO. Therefore, Sierra Club is unlikely to prevail on the underlying claims.

The use of coal-fired power plants for energy production is a legislative policy decision, and outside the authority of the Executive Secretary or the Board. The State of Utah already hosts many other coal-fired power plants, so Condition 24 of the IPSC AO is not unique and does not present "serious issues on the merits which should be the subject of further adjudication." Utah Administrative Code R307-103-10(2)(b)(iv). See also Sierra Club v. Utah Solid and Hazardous Waste Control Bd., 964 P.2d 335, 340 (Utah Ct. App. 1998) (stating that the uniqueness of the Tooele Chemical Agent Demilitarization Facility is an example of a serious public issue). Because Sierra Club is unlikely to prevail on the merits of the underlying claim and has not presented serious issues that should be the subject of further adjudication, Sierra Club cannot satisfy this requirement.

III. Conclusion

Sierra Club has failed to satisfy the requirements for a stay, and the Executive Secretary respectfully requests that the Air Quality Board exercise its discretion and deny Sierra Club's Motion for a Stay of Proceeding Pending Judicial Appeal.

DATED this 23rd day of May, 2005.

MARK L. SHURTLEFF Utah Attomey General

RICHARD K. RATMBUN CHRISTIAN C. STEPHENS Assistant Attorneys General

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of May, 2005, I caused a copy of the foregoing Executive Secretary's Memorandum in Opposition to Sieπa Club's Motion for a Stay of Proceeding Pending Judicial Appeal to be mailed by United States Mail, postage prepaid, to the following:

Joro Walker Sean Phelan Western Resource Advocates 1473 S 1100 E Suite F Salt Lake City, UT 84015

George Haley E. Blaine Rawson HOLME ROBERTS & OWEN 299 S. Main Street #1800 Salt Lake City, UT 84015

Fred G Nelson Assistant Attorney General 160 East 300 South, 5th Floor Salt Lake City, UT 84114

Richard W. Sprott Executive Secretary Utah Division of Air Quality 150 North 1950 West P.O. Box 144280 Salt Lake City, UT 84114-4820

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BEFORE THE UTAH AIR QUALITY BOARD

In Re: Approval Order – the Sevier Power Company 270 MW Coal-Fired

Power Plant, Sevier County

Project Code: N2529-001 DAOE-AN2529001-04 MOTION FOR STAY PENDING

JUDICIAL REVIEW

MOTION BY SIERRA CLUB AND GRAND CANYON TRUST FOR A STAY OF PROCEEDINGS PENDING JUDICIAL REVIEW

By this motion and pursuant to Utah Admin. Rule R307-103-10(2), the Utah Chapter of the Sierra Club and the Grand Canyon Trust (collectively "Sierra Club") request a stay, pending judicial review, of the Board's May 11, 2005 Order denying them standing to contest the Utah Division of Air Quality's ("DAQ") Approval Order ("AO") granting a Prevention of Significant Deterioration ("PSD") permit to Sevier Power Company ("SPC").

I. Introduction

On November 12, 2004, the Sierra Club filed a Request for Agency Action ("Appeal") with the Utah Air Quality Board ("Board") contesting the DAQ AO granting a PSD permit to SPC. The permit allows SPC to construct and operate a 270 mega-watt coal-fired power plant in Sigurd, Utah. With its Appeal, Sierra Club filed a Statement of Standing and Petition to Intervene.

SPC objected to Sierra Club's Statement and Petition in a brief dated January 28, 2005. At its April 13, 2005 meeting, the Board heard oral argument on the issue of Sierra Club's standing, deliberated the matter, and determined that Sierra Club did not have standing. As a result, the Board dismissed the Sierra Club's Request for Agency Action. The Board's rulings were set forth in an Order approved at its May 11, 2005 meeting.

In its Order, the Board granted a single organization, Sevier Citizens for Clean Air and Water ("Sevier Citizens"), standing to pursue its Request for Agency Action. Currently, Sevier Citizens is not represented by counsel in this adjudication.

In its Appeal, Sietra Club raised numerous claims not asserted by Sevier Citizens in its Request for Agency Action. For example, Sierra Club challenges DAQ's failure to address carbon dioxide and other greenhouse gas emissions as part of the SPC permitting process, while Sevier Citizens did not. Sierra Club, unlike Sevier Citizens, also asserts that DAQ failed to sufficiently consider carbon injection for the control of mercury, failed to require appropriate NOx BACT limits, failed to require continuous opacity monitoring, and failed to justify sufficiently its determination that SPC plant emissions would not cause or contribute to violations of PM-10 standards.

In their appeals, Sierra Club and Sevier Citizens also make similar challenges. Both groups contest the failure of DAQ to consider adequately integrated gasification combined cycle (IGCC) technology as part of its BACT analysis, to address sufficiently impacts to visibility, soils and vegetation, and to evaluate properly emission impacts on Class I areas, especially Capitol Reef National Park.

II. Sierra Club is Entitled to a Stay

Pursuant to Rule R307-103-10(2), the Sierra Club requests a stay of the Board's Order pending judicial review. Utah Admin. Code R307-103-10(2). Specifically, Sierra Club seeks a stay of the this proceeding - the adjudication of the legality of the SPC permit - while the Sierra Club seeks judicial review of this Board's decision that the organization did not have standing to bring its Appeal.

Rule R307-103-10(2)(a) of the Utah Administrative Code allows a party seeking a stay of a board's final order to file a motion to that effect. Rule R307-103-10(2)(b) states that the Board "may" grant a stay if the standards of Rule R307-103-10(1)(b) are met. These standards, in turn are:

- (i) The party seeking the stay will suffer irreparable harm unless the stay is issued;
- (ii) The threatened injury to the party seeking the stay outweighs whatever damage the proposed stay is likely to cause the party restrained or enjoined;
- (iii) The stay, if issued, would not be adverse to the public interest; and,
- (iv) There is substantial likelihood that the party seeking the stay will prevail on the merits of the underlying claim, or the case presents serious issues on the merits which should be the subject of further adjudication.

Utah Admin. Code R307-103-10(1)(b). At the same time, the Utah Administrative Procedures Act provides "[u]nless precluded by another statute, the agency may grant a stay of its order or

time the organization was excluded as a party. Starting over at the beginning would be costly, time consuming and inefficient and would therefore be detrimental to the public good. Similarly, a full and fair review of the issues Sierra Club raises in its Appeal could ultimately benefit the public, as more restrictions on harmful emissions could be added to the SPC permit as a result of this process.

Fourth, as the organization sets forth in its Statement of Standing and Petition for Intervention and replies to the oppositions to its Statement and Petition, Sierra Club is likely to succeed on the merits of its Appeal.² The Sierra Club has documented that it has representational standing to challenge the adequacy of the AO. Members of Sierra Club live, work and recreate in areas that will be impacted by the proposed SPC Plant. Members of Sierra Club will suffer health, economic, aesthetic, environmental, and recreational injuries as a result of emissions from the planned facility. Moreover, Sierra Club has properly pointed out that DAQ's decision to approve the SPC Plant is a matter of great public importance, with significant consequences that will be felt across Utah. As a result, the Sierra Club is entitled to ask this Board to review the relevant PSD permit and to ensure that the DAQ approved permit for the proposed coal-fired power plant is strictly in keeping with all applicable laws.

Similarly, the issue of Sierra Club's standing "presents serious issues on the merits which should be the subject of further adjudication." Utah Admin. Code R307-103-10(1)(b)(iv). Utah's courts are best equipped to determine the legal issue of Sierra Club's standing and should be given the opportunity to do so before this adjudication proceeds. Because the Utah Court of Appeals may well conclude that Sierra Club is entitled to full participation in this proceeding, justice, efficiency and the public interest are best served by postponing this proceeding until the court weighs in on the issue of Sierra Club's standing.

Wherefore, the Sierra Club respectfully requests that this Board stay its May 11, 2005 Order or otherwise grant temporary relief that would halt the adjudication of the DAQ AO for the PSD permit for the SPC facility pending Sierra Club's appeal of that Order.

Dated: May 11, 2005

ORO WALKER

Attorney for Sierra Club and Grand Canyon Trust

² Sierra Club hereby references and incorporates herein its Statement of Standing and Petition for Intervention and its replies to opposition to its Statement and Petition.

CERTIFICATE OF SERVICE

I hereby certify that on May 11, 2005, I served a true and correct copy of the foregoing MOTION BY SIERRA CLUB AND GRAND CANYON TRUST FOR A STAY OF PROCEEDINGS PENDING JUDICIAL REVIEW on the following:

By Hand Delivery:

Rick Sprott Executive Secretary Utah Air Quality Board 150 North 1950 West Salt Lake City, Utah 84114

Chris Stephens Assistant Attorney General Utah Division of Air Quality 150 North 1950 West Salt Lake City, Utah 84114

Fred G. Nelson Counsel, Utah Air Quality Board 160 East 300 South, 5th Floor Salt Lake City, Utah 84114

Richard Rathburn Assistant Attorney General 160 East 300 South Salt Lake City, Utah 84114 Fred Finlinson Finlinson & Finlinson 11955 Lehi-Fairfield Road Saratoga Springs, Utah 84043

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Attorneys for the Sevier Power Company

RECEIVED MAY 2 3 2005 AIR QUALITY

BEFORE THE UTAH AIR QUALITY BOARD

In Re: Approval Order - the Sevier

Power Company 270 MW Coal-Fired Power Plant, Sevier County

Project Code: N2529-001

DAQE-AN2529001-04

OPPOSITION BRIEF TO

MOTION FOR STAY PENDING JUDICIAL

REVIEW

The Sevier Power Company (the "SPC") is opposed to the Motion for Stay Pending Judicial Review by the Sierra Club and Grand Canyon Trust (collectively "Sierra Club") and requests that the Utah Air Quality Board (the "Board") deny the Motion for Stay for the following reasons contained in this brief.

Introduction

On the 12th of October, 2004, Richard W. Sprott, Executive Secretary of the Utah Air Quality Board signed the Approval Order to authorize the construction and operation of the Sevier Power Company 270 MW Coal-Fired Power Plant in Sigurd, Utah. On November 12, 2004, the Sierra Club filed a Request for Agency Action ("Appeal") and filed a Petition to Intervene. The SPC objected to the standing of the Sierra Club. The standing issues were briefed, and orally argued before the Board at the April 13, 2005 meeting. The Board's order on standing, approved at the May 11, 2005 meeting, denied standing to the Sierra Club. The Sierra Club has given notice that it intends to appeal the decision of the Board to the Court of Appeals and has requested by motion that the Board stay further proceedings on the formal review of the Approval Order during the appeal in the Court of Appeals.

Opposition Argument

Standing is necessary to be a party. Without standing, the Sierra Club is not entitled to either intervene, or seek a stay.

The Rules of the Division of Air Quality make it clear that standing is required to be party. "Rule 307-103-6(3). Standing. No person may initiate or intervene in an agency action unless the party has standing. Standing shall be evaluated using applicable Utah case law." Rule 307-103-10 identifies the process to obtain a stay of a challenged order. It requires the "party" seeking a stay to file a motion before the Board. However, without standing, an entity can not be

a party to a proceeding. The Board has denied standing to the Sierra Club; it does not have standing to be a "party" and without standing, it is not entitled to file a motion before the Board requesting a stay.

Even if the Sierra Club had standing, its request for a stay would fail on the merits to meet the requirements necessary for a stay.

Rule 307-103-10(1) (b) sets forth requirements that must be met in order for the Board to grant a stay. These standards are:

- (i) The party seeking the stay will suffer irreparable harm unless the stay is issued;
- (ii) The threatened injury to the party seeking the stay outweighs whatever damage the proposed stay is likely to cause the party restrained or enjoined;
- (iii) The stay, if issued, would not be adverse to the public interest; and,
- (iv) There is substantial likelihood that the party seeking the stay will prevail on the merits of the underlying claim, or the case presents serious issues on the merits which should be subject of further adjudication.

The Board in its standing order approved at the May 11, 2005 meeting, granted amicus curia status to the Sierra Club. The Board meetings are public, they have a limited participation already granted by the Board. It is hard to imagine that the Sierra Club will suffer irreparable harm if the Board continues with the review of the Approval Order.

The injury complained about by the Sierra Club that this review will proceed without them as a full party pails with the injury inflicted upon the SPC. Generally turn around time in the Court of Appeals could take up to 18 months. This means that the permit status for the SPC would be on a hold for that same time. The addition of the stay period to the current review period will create a significant hardship on the development plans of the SPC. The damage to SPC is far greater than the alleged damage to the Sierra Club caused by the Board's continued review of the Approval Order, issued almost a year ago. The extra carrying costs of the SPC project for the stay period are very significant.

It is difficult to determine what the Public interest is. To the public that utilizes electric power, the delay, in obtaining additional supplies of low cost power from Utah coal, is adverse. To the public in Sevier County that would benefit from the jobs associated with the power plant and associated coal mining jobs, the delay would be adverse. To the Citizen living right next to the power plant, any delay associated with the stay would not be adverse.

The fourth standard requires that there is a substantial likelihood that the Sierra Club will prevail before the Court of Appeals in over turning the decision of the Board on the rejection of their standing status. The Court of Appeals in order to reverse the Board must find that the Board did not follow its own rules, or that they have made an arbitrary or capricious decision, not related to the facts submitted to the Board. The Appellant Sierra Club has a very difficult burden to carry in the Court of Appeals. To conclude that they have a substantial likelihood that they will prevail on this standing issue is too far of a stretch to justify the granting of a stay.

In order to receive a stay from the Board, the requesting party, should have standing and be able to meet the standards required by the Boards rule as discussed above. The Board's rule for granting stays is consistent with the requirements for granting a stay as set forth in the Utah Administrative Procedures Act ("UAPA" UCA 63-46b-18, 1953 as amended.) In order to obtain a stay, the party must meet all four standards. The Sierra Club is not able to meet all of the required standards.

By requesting the Board to grant a stay, the Sierra Club avoids the costs of a bond that would be required by the Court of Appeals to grant the same stay.

Asking a decision making body to stop further proceedings, while the loosing party seeks an appeal of an order to a higher authority is not a favored motion. It is not granted often and then only when strict standards are met. Refer to the Boards own rules mentioned above for stays. In the judicial system, the requirements are similar, irreparable harm, likelihood of prevailing and the addition requirement of a bond. The Rules of Appellate Procedure require the party seeking the stay, to file a bond pursuant to Rule 62 of the Utah Rules of Civil Procedure. The bond is required to protect the prevailing party from the delay and the fact that the appealing The bond to prevail at the appellate court level. Rule 62 provides a process to determine the party may not prevail at the appellate court level. Rule 62 provides a process to determine the amount of bond to fully protect the prevailing party during the stay. Failure to prevail, allows the bond to be converted for the benefit of the prevailing party. The SPC Power Plant is a \$500,000,000 dollar capital project. A year's delay will cause a significant amount of harm to the SPC. Since the Board's rules do not provide for any kind of bond during the review process or during the stay period, while the matter is being reviewed by the Court of Appeals, the granting of a stay by the Board would deny the SPC the protection offered by the bonding requirement of Rule 62.

Wherefore, the Sevier Power Company respectfully request that this Board deny the Sierra Club's Motion for Stay Pending Judicial Review.

Dated: May 23, 2005

Fred W. Finlinson

Finlinson & Finlinson, PLLC

Attorney for the Sevier Power Company

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of May, 2005, I caused a copy of the foregoing **Opposition Brief to Motion For Stay Pending Judicial Review** to be mailed by United States Mail, postage prepaid, to the following:

Sean Phelan Joro Walker Western Resource Advocates 1473 S 1100 E Suite F Salt Lake City, Utah 84105	Fred G. Nelson Counsel, Utah Air Quality Board 160 East 300 South, 5 th Floor Salt Lake City, Utah 84114-0873	
Rick Sprott, Executive Secretary Utah Division of Air Quality 150 North 1950 West Salt Lake City, Utah 84114	James O. Kennon Sevier county Citizens for Clean Air and Water 146 North Main Street, Suite 27 PO Box 182 Richfield, Utah 84701	
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Attorneys for the Sevier Power Company

RECEIVED MAY 2 3 2005 AIR QUALITY

BEFORE THE UTAH AIR QUALITY BOARD

In Re: Approval Order – the Sevier

OPPOSITION BRIEF TO

Power Company 270 MW Coal-Fired

MOTION FOR STAY

Project Code: N2620, 001

PENDING JUDICIAL

Project Code: N2529-001

REVIEW

DAQE-AN2529001-04

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The Sevier Power Company (the "SPC") is opposed to the **Motion for Stay Pending Judicial Review** by the Sierra Club and Grand Canyon Trust (collectively "Sierra Club") and requests that the Utah Air Quality Board (the "Board") deny the Motion for Stay for the following reasons contained in this brief.

Introduction

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It is difficult to determine what the Public interest is. To the public that utilizes electric power, the delay, in obtaining additional supplies of low cost power from Utah coal, is adverse. To the public in Sevier County that would benefit from the jobs associated with the power plant and associated coal mining jobs, the delay would be adverse. To the Citizen living right next to the power plant, any delay associated with the stay would not be adverse.

The fourth standard requires that there is a substantial likelihood that the Sierra Club will prevail before the Court of Appeals in over turning the decision of the Board on the rejection of their standing status. The Court of Appeals in order to reverse the Board must find that the Board did not follow its own rules, or that they have made an arbitrary or capricious decision, not related to the facts submitted to the Board. The Appellant Sierra Club has a very difficult burden to carry in the Court of Appeals. To conclude that they have a substantial likelihood that they will prevail on this standing issue is too far of a stretch to justify the granting of a stay.

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Dated: May 23, 2005

Fred W. Finlinson

Finlinson & Finlinson, PLLC

Attorney for the Sevier Power Company

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BEFORE THE UTAH AIR QUALITY BOARD

In the Matter of:

Sevier Power Company Power Plant Sevier County, Utah DAQE-AN2529001-04 EXECUTIVE SECRETARY'S MEMORANDUM IN OPPOSITION TO SIERRA CLUB'S MOTION FOR STAY PENDING JUDICIAL APPEAL

COMES NOW the Executive Secretary of the Utah Division of Air Quality (Executive Secretary), and hereby opposes Sierra Club and Grand Canyon Trust's (Sierra Club) Motion for a Stay of Proceeding Pending Judicial Appeal of the Utah Air Quality Board's (the Board) final order denying standing to Sierra Club in the above-encaptioned matter.

I. Introduction

On October 12, 2004, the Executive Secretary issued an Approval Order (AO) to Sevier Power Company (SPC) to construct and operate a coal-fired power plant in Sevier County, Utah. On November 1, 2005, Sevier County Citizens for Clean Air and Water (Sevier County Citizens) filed a Request for Agency Action appealing the SPC AO. On November 12, 2005, Sierra Club filed a Request for Agency Action pursuant to R307-103-3. Sierra Club also filed a Statement of Standing and Petition to Intervene, seeking to demonstrate that it had standing to pursue its challenge to the SPC AO.

SPC challenged Sierra Club's standing but did not oppose the standing of Sevier County Citizens. The Executive Secretary did not oppose Sierra Club's standing but did challenge the legal adequacy of the Sevier County Citizens' petition. At the April 13, 2005 Air Quality Board meeting, the Executive Secretary represented that he no longer opposed Sevier County Citizens based on additional submissions that demonstrated a legal basis for its petition. After oral argument and debate, the Board determined that while Sevier County Citizens had standing to pursue its appeal, Sierra Club did not have standing. However, the Board granted Sierra Club amicus curiae status.

The Board finalized this determination with an order signed on May 12, 2005. Sierra Club subsequently filed a Petition for Review with the Utah Court of Appeals on May 17, 2005, seeking review of the Board's denial of standing. Pursuant to Utah Administrative Code R307-103-10(2), Sierra Club desires a stay of any proceedings regarding the legality of various aspects of the SPC AO while Sierra Club seeks judicial review of the Board's denial of standing.

II. The Board Should Deny Sierra Club's Motion for Stay

Section 63-46b-18(1) of the Utah Administrative Procedures Act provides that an agency may grant a stay of its own order: "[u]nless precluded by another statute, the agency may grant a stay of its order or other temporary remedy during the pendency of judicial review, according to the agency's rules." Utah Admin. Code R307-103-10 governs stays of the Executive Secretary's administrative orders and outlines how a petitioner requests a stay. Specifically, the Board "may order a stay of the order if the party seeking the stay" satisfies each of the following four requirements:

- (i) The party seeking the stay will suffer irreparable harm unless the stay is issued;
- (ii) The threatened injury to the party seeking the stay outweighs whatever damage the proposed stay is likely to cause the party restrained or enjoined;

- (iii) The stay, if issued, would not be adverse to the public interest; and
- (iv) There is substantial likelihood that the party seeking the stay will prevail on the merits of the underlying claim, or the case presents serious issues on the merits which should be the subject of further adjudication.

Utah Admin. Code R307-103-10(1)(b).

By its terms, the above rule requires that the party seeking the stay must satisfy all four criteria. Even if Sierra Club could satisfy all the criteria, the Board would still not be required to grant the stay. As the Executive Secretary demonstrates below, Sierra Club cannot satisfy any of the four standards.

II.A. Sierra Club Will Not Be Irreparably Harmed by a Denial of the Motion for Stay

First, irreparable harm will not occur because the Board has granted Sierra Club amicus curiae status. As amicus curiae Sierra Club will have the opportunity to present to the Board its position on issues raised by the parties. Although Sierra Club raises some separate issues from Sevier County Citizens, Sierra Club raised its issues during the comment period and thus has had an opportunity to present its views. These views were considered by the Executive Secretary in his decision to grant the AO.

In its motion Sierra Club claims that "[n]o party will be prejudiced by [the granting of the stay] because there is currently no stay of the AO and SPC will not begin to construct its plant anytime soon." Sierra Club Motion for Stay at 3. The Executive Secretary understands this statement to mean that regardless of the imposition of a stay, Sierra Club expects to receive an appellate ruling on its standing denial well before SPC ever constructs its plant. If such is the case, the Executive Secretary submits that the very harm Sierra Club claims is irreparable could not take place, even in the absence of a stay. The SPC plant must be constructed for the harm to occur. But Sierra Club's own motion suggests that construction will not begin until long after

the Utah Court of Appeals has settled the standing questions. Thus, any alleged irreparable harm is not only unlikely, it is impossible. Sierra Club's failure to satisfy this first requirement is fatal to its request to obtain a stay.

II.B. The Alleged Threat of Injury to Sierra Club Does Not Outweigh the Damage Would Cause the Executive Secretary

The applicable provision of the Utah Air Rules states that to satisfy the second requirement, "the threatened injury to the party seeking the stay" may not outweigh the "damage the proposed stay is likely to cause" the party to be enjoined. Utah Administrative Code R307-103-10(1)(b)(ii). This second requirement presents the greatest consequence for the Executive Secretary. Sierra Club is not now and never has been a party to these proceedings. Yet if the Board grants a stay, the existence of the stay may allow Sierra Club to interfere with any proposed resolution between the parties to the SPC AO appeal.

The permit at issue here is SPC's, not Sierra Club's. Nonparties should not be permitted to use an administrative stay to prevent the sound operation of government and interfere with the ability of a permit holder to seek a resolution to the dispute. If the Board grants the stay, Sierra Club will likely argue not only that the existence of the stay somehow enjoins both the Executive Secretary and SPC from moving forward formally with the appeal, but also that the Executive Secretary, Sevier County Citizens, and SPC may not seek any resolution at all, either through negotiated settlement or otherwise. Such an approach would allow a nonparty (Sierra Club) to impose a de facto veto over any action taken by the real parties in interest, the Executive Secretary, Sevier County Citizens, and SPC.

On the most basic level, the Executive Secretary seeks to protect the Division of Air Quality's ability to perform its regulatory mandate without a nonparty's interference. The Division of Air Quality staff meets routinely with sources to resolve permit and compliance

issues after the Executive Secretary has issued final orders. If the board grants the stay pursuant to a motion from a nonparty and the stay has the effect Sierra Club appears to suggest, potentially all these regulatory functions could not take place without the participation or permission of an organization such as Sierra Club. The Board should not grant a stay where the purpose is to hamper or delay the regulatory functioning of the agency.

The Board has already decided that Sierra Club does not have standing. As shown above, granting the stay that a nonparty has requested would permit Sierra Club to exert a measure of control over the actual parties. Unless and until the Utah Court of Appeals determines that Sierra Club has standing, Sierra Club should not be permitted to act as a full party, be it temporary or otherwise. Therefore, because issuance of the stay would allow Sierra Club to interfere with the progress of the proceedings, "the threatened injury to the party seeking the stay" would not outweigh the "damage the proposed stay is likely to cause" the Executive Secretary. Utah Administrative Code R307-103-10(1)(b)(ii).

Finally, Sierra Club asserts that "the harm caused by a delay of this proceeding will not be substantial." Sierra Club Motion for Stay at 3. The Executive Secretary respectfully disagrees with that conclusory assessment. A possible yearlong delay in the resolution of this matter is hardly a "mere inconvenience" to the parties. <u>Id.</u>

H.C. Granting the Stay Would be Adverse to the Public Interest

Third, promptly moving forward with discovery and a hearing is in the public interest, as undue delay wastes scarce government resources. The Executive Secretary is prepared to defend the AO and wishes to move forward immediately. If granted, the stay would indefinitely postpone the proceedings. As a taxpayer-funded public entity, the Division of Air Quality seeks to perform its regulatory functions without undue delay or interference. If the stay is granted, the Executive Secretary will be compelled to forgo the benefit of resolving the dispute with SPC and

Sevier County Citizens in a timely manner, either by Board order or through settlement. As granting the stay would cause unreasonable delay, the stay would be adverse to the public interest.

II.D. <u>Sierra Club is Unlikely to Prevail on the Merits of the Underlying Claim and the Request for Agency Action at Issue Does Not Present Serious Issues That Should Be the Subject of Further Adjudication</u>

Fourth, Sierra Club's motion does not show or explain how the organization will have a substantial likelihood of prevailing on the merits of the underlying dispute, or that its Request for Agency Action presents serious issues that should be the subject of further adjudication.

Specifically, Sierra Club was unable to make the necessary showing to convince the Board that Sierra Club had standing. Since appellate review of the Boards' order on standing will be restricted to the record, Sierra Club will be unable to present any new evidence to argue that it has standing. Moreover, Sierra Club's motion has also failed to show how the organization is likely to prevail on the merits in its challenges of the SPC AO. Therefore, Sierra Club is unlikely to prevail on the underlying claims.

The use of coal-fired power plants for energy production is a legislative policy decision, and outside the authority of the Executive Secretary or the Board. The State of Utah already hosts many other coal-fired power plants, so the SPC AO is not unique and does not present "serious issues on the merits which should be the subject of further adjudication." Utah Administrative Code R307-103-10(2)(b)(iv). See also Sierra Club v. Utah Solid and Hazardous Waste Control Bd., 964 P.2d 335, 340 (Utah Ct. App. 1998) (stating that the uniqueness of the Tooele Chemical Agent Demilitarization Facility is an example of a serious public issue). Because Sierra Club is unlikely to prevail on the merits of the underlying claim and has not

presented serious issues that should be the subject of further adjudication, Sierra Club cannot satisfy this requirement.

III. Conclusion

Sierra Club has failed to satisfy the requirements for a stay, and the Executive Secretary respectfully requests that the Air Quality Board exercise its discretion and deny Sierra Club's Motion for a Stay of Proceeding Pending Judicial Appeal.

DATED this 23rd day of May, 2005.

MARK L. SHURTLEFF Utah Attorney General

RICHARD K. RATHBUN CHRISTIAN CATEPHENS Assistant Attorneys General

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of May, 2005, I caused a copy of the foregoing Executive Secretary's Memorandum in Opposition to Sierra Club's Motion for a Stay of Proceeding Pending Judicial Appeal to be mailed by United States Mail, postage prepaid, to the following:

Joro Walker Sean Phelan Western Resource Advocates 1473 S 1100 E Suite F Salt Lake City, UT 84015

Fred G Nelson Assistant Attorney General 160 East 300 South, 5th Floor Salt Lake City, UT 84114

James Kennon Sevier County Citizens for Clean Air and Water 146 North Main Street, Suite 27 PO Box 182 Richfield, UT84701

Fred Finlinson Finlinson & Finlinson 11955 Lehi-Fairfield Rd. Saratoga Springs, UT 84043 Richard W. Sprott Executive Secretary Utah Division of Air Quality 150 North 1950 West P.O. Box 144280 Salt Lake City, UT 84114-4820

> CHRISTIAN C. STEPHENS Assistant Attorney General 150 North 1950 West P.O. Box 144820 Salt Lake City, UT 84114-4820

IPP + SEVIER POWER CARBON



State of Utah

Department of Environmental Quality

> Dianne R. Nielson, Ph.D. Executive Director

DIVISION OF AIR QUALITY Richard W. Sprott Director JON M. HUNTSMAN, JR.

Governor

GARY HERBERT
Lieutenant Governor

DAQ-031-2005

MEMORANDUM

TO:

Air Quality Board

THROUGH:

Richard W. Sprott, Executive Secretary

FROM:

Timothy DeJulis, Engineeer

DATE:

May 19, 2005

SUBJECT:

Modification of DAQE-AN1386012-04 by Adding Carbon Fiber Production

Process Equipment Items

Hexcel Corporation located at 6800 West 5400 South, West Valley City, Salt Lake County, has requested modification of their existing approval order, DAQE-AN1386012-04, dated August 26, 2004. The requested changes involve the installation of an additional carbon fiber production process line, with associated equipment items, and pollution control devices, and a related increase in annual production levels.

The operations associated with Hexcel are listed in the Salt Lake County PM_{10} SIP (Section IX, Part H.2.b.T). In accordance with R307-305-2 the Air Quality Board is reviewing this proposed modification because specific SIP limits will be changing. There will be an increase in the allowed annual production of carbon fibers, and the potential to emit values are increasing. Annual production of carbon fiber, will increase by 1,500,000 pounds, and their potential to emit values, in tons per year, will change as follows: NO_x (+ 17.26), SO_2 (+ 7.05), VOC (+ 3.65).

Hexcel conducted air dispersion modeling for certain HAPs, and it demonstrates that no off-property impacts exist. Air dispersion modeling for criteria pollutants was not required. There are no PSD, or NAAQS increments consumed, nor were external emission offset credits needed. Best Available Control Technology will be required. No public comments were received, nor was a public hearing requested.

It is the recommendation of the NSR staff that you approve Hexcel's proposed modification.



State of Utah

Department of Environmental Quality

Dianne R. Nielson, Ph.D. Executive Director

DIVISION OF AIR QUALITY Richard W. Sprott Director JON M. HUNTSMAN, JR. Governor

> GARY HERBERT Lieutenant Governor

> > DAQE-IN1386013-05

April 6, 2005

Shannon Storrud Hexcel Corporation Composite Products Div. PO Box 18748 Salt Lake City, Utah 84118-748

Dear Mr. Storrud:

Re:

Intent to Approve: Modify DAQE-AN1386012-04 by Adding Carbon Fiber Production Process Equipment Items, Salt Lake County, CDS A; NA; MAINT; HAPs; SIP; NSPS, MACT; Title V

Major

Project Code: N1386-013

The attached document is the Intent to Approve (ITA) for the above-referenced project. ITAs are subject to public review. Any comments received shall be considered before an Approval Order is issued.

Future correspondence on this Intent to Approve should include the engineer's name as well as the DAQE number as shown on the upper right-hand corner of this letter. Please direct any technical questions you may have on this project to Mr. Tim De Julis. He may be reached at (801) 536-4012.

Sincerely,

Rusty Ruby, Manager New Source Review Section

RR:TD:jc

cc:

Salt Lake Valley Health Department

Mike Owens, EPA Region VIII

STATE OF UTAH

Department of Environmental Quality

Division of Air Quality

INTENT TO APPROVE: Modify DAQE-AN1386012-04 by Adding Carbon Fiber Production Process Equipment Items

Prepared By: Tim De Julis, Engineer (801) 536-4012 Email: tdejulis@utah.gov

INTENT TO APPROVE NUMBER

DAQE-IN1386013-05

Date: April 6, 2005

Hexcel Corporation
Source Contact
Shannon Storrud
(801) 508-8011

Richard W. Sprott Executive Secretary Utah Air Quality Board

Abstract

Hexcel Corporation (Hexcel) owner and operator of the carbon fiber, and fabric pre-impregnation (prepreg) manufacturing plant located at 6800 West 5400 South, West Valley City, Salt Lake County, has requested modifications to their existing approval order (AO). The requested changes are associated with an expansion of annual carbon fiber production, and include the installation of a new carbon fiber production line (Fiber Line 8) to be housed in a new production building (#2480). The new process will consist of four low temperature ovens, one low temperature furnace, one high temperature furnace, one fume incinerator, one surface treatment area and mix room, one sizing application area, and one diesel fueled, emergency generator (400 kW). The potential levels of hydrogen cyanide pollution from this new process line will be abated by use of the above fume incinerator, as part of a sealed ventilation system. Additional pollution control measures involve the use of oxidizing burner boxes located at the entrance to each high-temperature furnace, use of steam utility for product drying, and the use of electrically heated process furnaces. Hexcel anticipates producing an additional 1,500,000 pounds of carbon fiber annually, for a total of 5,500,000 pounds.

Salt Lake County is a Non-attainment area of the National Ambient Air Quality Standards (NAAQS) for PM₁₀ and Sulfur Dioxide (SO₂), and is a maintenance area for ozone. New Source Performance Standards (NSPS) (40 CFR 60), and Maximum Achievable Control Technology (MACT) standards (40 CFR 63) apply to this source. National Emission Standards for Hazardous Air Pollutants (NESHAP) regulations (40 CFR 61) do not apply to this source. Title V of the 1990 Clean Air Act applies to this major source. This source requires a Title V operating permit. Hexcel is listed in the Utah State Implementation Plan (SIP). Hexcel's proposed changes to their plant must be considered, and approved by the Utah Air Quality Board before an AO can be issued.

The emissions, in tons per year, will change as follows: NO_x (+ 17.26), SO_2 (+ 7.05), VOC (+ 3.65) The changes in emissions will result in the following potential to emit totals, in tons per year: $PM_{10} = 71.16$, $NO_x = 112.49$, $SO_2 = 11.08$, CO = 32.82, VOC = 29.00, HAPs = 600.45.

The Notice of Intent (NOI) for the above-referenced project has been evaluated and has been found to be consistent with the requirements of the Utah Administrative Code Rule 307 (UAC R307). Air pollution producing sources and/or their air control facilities may not be constructed, installed, established, or modified prior to the issuance of an Approval Order (AO) by the Executive Secretary of the Utah Air Quality Board.

A 30-day public comment period will be held in accordance with UAC R307-401-4. A notice of intent to approve will be published in the Salt Lake Tribune and Deseret News on April 10, 2005. During the public comment period the proposal and the evaluation of its impact on air quality will be available for both you and the public to review and comment. If anyone so requests a public hearing it will be held in accordance with UAC R307-401-4. The hearing will be held as close as practicable to the location of the source. Any comments received during the public comment period and the hearing will be evaluated.

Please review the proposed AO conditions during this period and make any comments you may have. The proposed conditions of the AO may be changed as a result of the comments received. Unless changed, the AO will be based upon the following conditions:

General Conditions:

This Approval Order (AO) applies to the following company:

Site Office
Hexcel Corporation
Salt Lake Operations
P.O. Box 18748
Salt Lake City, Utah 84188-0748

Phone Number: (801) 508-8599 Fax Number: (801) 508-8090

The equipment listed in this AO shall be operated at the following location:

6800 West 5400 South West Valley City, Salt Lake County

Universal Transverse Mercator (UTM) Coordinate System: UTM Datum NAD27 4,500.6 kilometers Northing, 410.9 kilometers Easting, Zone 12

- All definitions, terms, abbreviations, and references used in this AO conform to those used
 in the Utah Administrative Code (UAC) Rule 307 (R307) and Title 40 of the Code of
 Federal Regulations (40 CFR). Unless noted otherwise, references cited in these AO
 conditions refer to those rules.
- The limits set forth in this AO shall not be exceeded without prior approval in accordance with R307-401.
- Modifications to the equipment or processes approved by this AO that could affect the
 emissions covered by this AO must be reviewed and approved in accordance with
 R307-401-1.
- All records referenced in this AO, or in applicable MACT standards, which are required to be kept by the owner/operator, shall be made available to the Executive Secretary or Executive Secretary's representative upon request, and the records shall include the two-year period prior to the date of the request. Records shall be kept for the following minimum periods:
 - A. Emission inventories Five years from the due date of each emission statement or until the next inventory is due, whichever is longer.
 - B. All other records Five years
- 6. Hexcel Corporation shall conduct its operations of the carbon fiber plant in accordance with the terms and conditions of this AO, which was written pursuant to Hexcel's Notice of Intent submitted to the Division of Air Quality (DAQ) on January 18, 2005, and additional information submitted on March 15, 2005, March 24, 2005, and April 4, 2005.

- 7. Regardless of any inconsistency between conditions of this AO and Section IX, Part H, of the SIP, this AO shall take precedence as provided by R307-305-2. The language of Section IX, Part H.2.a and Section IX, Part H.2.b.T has been incorporated into this AO.
- This AO shall replace the AO (DAQE-AN1386012-04) dated August 26, 2004.

Limitations and Tests Procedures

- Visible emissions from all emission points shall not exceed a 10% opacity limit. Opacity
 observations of emissions from stationary sources shall be conducted according to 40 CFR
 60, Appendix A, Method 9.
- 10. The following consumption/production limits shall not be exceeded:
 - A. 550,000,000 cubic feet of natural gas consumed per rolling 12-month period
 - 5,500,000 pounds of carbon fibers produced from the fiber lines per rolling 12month period.
 - 1,000,000 pounds of curing agents consumed per 12-month period
 - 6,500,000 pounds of resins consumed per 12-month period
 - E. The total use rate for maintenance and testing per each emergency generator engine shall not exceed 65 hours per rolling 12-month period.

Compliance with the limitations shall be determined on a rolling 12-month total. The owner/operator shall calculate a new 12-month total by the twentieth day of each month using data from the previous 12 months. Records of consumption, production, and generator engine hours shall be kept on a monthly basis, for all periods when the plant is in operation. Records of consumption, production and generator engine hours including rolling 12-month totals, shall be made available to the Executive Secretary or Executive Secretary's representative upon request. Natural gas consumption shall be determined by examination of natural gas billing records for the plant. Graphite production shall be determined by examination of plant production records. Resin and curing agent consumption shall be determined by examination of material purchasing records and building production records. Emergency generator engine hours of operation shall be determined by examination of maintenance records, which shall be kept on site.

- 11. Diesel fueled power generator engines shall be used for electricity producing operation only during the periods when electric power from the public utilities is interrupted, for regular maintenance of the generators, or during periodic maintenance of the company owned electrical substation.
- 12. The requirements of R307-327, UAC, shall apply to all storage tanks at the site used for storage of applicable volatile organic compounds (VOC), unless more effective emissions control devices are specified for particular storage tanks.
- 13. The residence time within the various furnaces or fume incinerators shall be demonstrated using the following equation:

R = Vol/Q

Where,

R = residence time in seconds

Vol = inside volume of the incinerator – Ft^3 Q = maximum exhaust gas flow rate – Ft^3 /second

- 14. Fume incincrator temperatures shall be monitored with temperature sensing equipment that is capable of continuous measurement and readout of the combustion temperature. The readout shall be located such that an inspector/operator can at any time safely read the output. The measurement shall be accurate within ± 25°F at operating temperature. The measurement need not be continuously recorded. All instruments shall be calibrated against a primary standard at least once every 180 days. The calibration procedure shall be in accordance with 40 CFR 60, Appendix A, Method 2, paragraph 6.3, and 10.31, or use a type "K" thermocouple.
- 15. All thermal oxidation, fume incinerators shall be operated at the following parameters (unless as indicated in condition 33-SS, 33-YY & 33-FFF):
 - A. At a minimum temperature of 1,400 °F
 - B. At a minimum residence time of 0.5 seconds
- 16. All high temperature carbonization furnaces shall utilize a dedicated burner box at each furnace entrance. Each burner box shall be equipped with pilot lights to ensure that combustion occurs.
- 17. Emissions from all low temperature carbonization furnaces shall be routed to, and combusted within a dedicated fume incinerator in each case before being discharged to the atmosphere.
- 18. Emissions from all solvent coating towers shall be routed to, and combusted within a thermal oxidization fume incinerator in each case before being discharged to the atmosphere.
- 19. Emissions from all mixing vessels vapor collection systems, and portable container cleaning vapor collection systems shall be routed to, and combusted within a thermal oxidization fume incinerator, or flare device in each case before being discharged to the atmosphere.
- 20. The fume incinerator exhaust stacks need not be constructed to accommodate gravimetric stack testing. However, if the Executive Secretary determines a stack test is necessary, whatever modifications needed to meet 40 CFR 60, Appendix A, Method 1, and to provide OSHA approvable access to the test location, shall be retrofitted to the emission point.
- 21. All effluent stack/vents for process emissions from carbon fiber production shall have wire mesh filters to control broken carbon filaments, except those stacks vented to the fume incinerators, high temperature furnace outlet stacks, end chamber stacks on the oxidation ovens and surface treatment stacks.

Roads and Fugitive Dust

22. Hexcel Corporation shall abide by all applicable requirements of UAC R307-309 for PM₁₀ non-attainment areas (Salt Lake County) for Fugitive Emission and Fugitive Dust sources.

To be in compliance, Hexcel must operate in accordance with the most current version of R307-309.

23. The in-plant access roads and parking lots shall be paved, except for some power supply right-of way access, and shall be periodically swept or sprayed clean as dry conditions warrant or as determined necessary by the Executive Secretary. Records of cleaning paved roads shall be made available to the Executive Secretary or the Executive Secretary's representative upon request.

<u>Fuels</u>

- 24. The owner/operator shall use only natural gas as primary fuel for all fuel burning HVAC units, furnaces, burner boxes, solvent coating drying towers, miscellaneous ovens, and boilers. Process off-gas may be used to supplement the operation of any of these devices in which such fuel would be compatible. This condition does not apply to steam, or electrically powered units.
- 25. The owner/operator shall use vapor recovery system off-gas as primary fuel, and natural gas as supplemental fuel for all thermal oxidation fume incinerators attached to the solvent coating drying towers.

Federal Limitations and Requirements

- 26. In addition to the requirements of this AO, all applicable provisions of 40 CFR 60.18 (Control Device Requirements for Flares) applies to this installation.
- 27. In addition to the requirements of this AO, all applicable provisions of the National Emission Standards for Hazardous Air Pollutants for Source Categories, 40 CFR 63, Subpart A, 40 CFR 63.1 to 63.15 (General Provisions), Subpart SS, 40 CFR 63.980 to 63.999 (National Emission Standard for Closed Vent Systems, Control Devices, Recovery Devices and Routing to a Fuel Gas System or a Process), and Subpart HHHHH, 40 CFR 63.7980 to 63.8105 (National Emission Standard for Miscellaneous Coating Manufacturing) apply to this installation.

Volatile Organic Compound (VOC) and Hazardous Air Pollutants (HAPs) Limitations

- 28. The facility shall abide by all applicable requirements of UAC R307-325, and R307-335 for VOC sources located in an ozone Maintenance area, or any of the applicable requirements of 40 CFR 63.8055 whichever is most stringent. To be in compliance, this facility must operate in accordance with the most current version of UAC R307-325 and R307-335 or the applicable section(s), if renumbered.
- 29. The emissions from all plant-wide operations shall not exceed:

29.00 tons per rolling 12-month period for VOCs (non-HAP)
11.67 tons per rolling 12-month period for Methyl Ethyl Ketone
40.00 tons per rolling 12-month period for Cyanide
542.48 tons per rolling 12-month period for Methylene Chloride
6.50 tons per rolling 12-month period combined for all HAPs listed below: Xylene,
Toluene, Di-Meth-Formamide, and Glycol Ethers

Compliance with each limitation shall be determined on a rolling 12-month total. Based on the twentieth day of each month, a new 12-month total shall be calculated using data from the previous 12 months.

The VOC, or HAP emissions shall be determined by maintaining a record of VOC, or HAP emitting materials used each month. The record shall include the following data for each material used:

- A. Name of the VOC, or HAPs emitting material, such as: paint, adhesive, solvent, thinner, reducers, chemical compounds, toxics, isocyanates, etc.
- B. Density of each material used (pounds per gallon)
- C. Percent by weight of all VOC, or HAP in each material used
- D. Gallons of each VOC, or HAP emitting material used
- E. The amount of VOC, or HAP emitted monthly by each material used shall be calculated by the following procedure:

$$VOC = \frac{\% \text{ VOC by Weight}}{(100)} \times \text{ [Density (1b)]} \times \text{ Gal Consumed x } \frac{1 \text{ ton}}{2000 \text{ lb}}$$

$$HAP =$$
% HAP by Weight x [Density (1b)] x Gai Consumed x $\frac{1 \text{ ton}}{2000 \text{ lb}}$

- F. The amount of VOC, or HAP emitted monthly from all materials used.
- G. The amount of VOCs, or HAPs reclaimed for the month shall be similarly quantified and subtracted from the quantities calculated above to provide the monthly total VOC, or HAP emissions.
- H. Non-HAP VOC emissions from the fuel burning devices (products of incomplete combustion generated by the boilers, curing ovens, generators, and etc.) are included in the above total.

Records & Miscellaneous

- 30. At all times, including periods of startup, shutdown, and malfunction, owners and operators shall, to the extent practicable, maintain and operate any equipment approved under this Approval Order including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Executive Secretary which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source. All maintenance performed on equipment authorized by this AO shall be recorded.
- 31. The owner/operator shall comply with R307-150 Series. Inventories, Testing and Monitoring.

- 32. The owner/operator shall comply with R307-107. General Requirements: Unavoidable Breakdowns.
- Information regarding all previously approved, installed, and operating equipment is listed below, combined with any new equipment items, and a description of each building in which the equipment items are located. Emissions from any of the buildings shall be included in the emissions inventory.

The six (6) buildings listed below have been evaluated and determined to have sufficient potential emissions to require an AO:

Building 2344 - Graphite fiber production, Lines #2, & #3

Building 2436 - Graphite fiber production, Lines #4 & #5

Building 2478 - Solvent coating and resin prep and handling

Building 2479 - Graphite fiber production, Lines #6 & #7

Building 2480 - Graphite fiber production, Line #8

NEW

Building 8162 - R & D facility with an incinerator

The five (5) buildings listed below have been evaluated and determined to either have no emissions, or negligible emissions:

Building 8249 - Office/change house - northwest of building 2479

Nitrogen Plant - Electrically powered nitrogen plant

Building 8132 - Old facilities

Building 8187 - Lab hood and curing oven

Building 2422 - Administration building - HVAC units

BUILDING-2344 - GRAPHITE FIBER PRODUCTION, LINES #2, & #3

- A. Graphite Fiber Line #2 with:
 - Two (2) Electrically heated, oxidation ovens
 - 2. One (1) Electrically heated, low temperature, carbonization furnace
 - 3. One (1) Electrically heated, high temperature, carbonization furnace
 - 4. Surface treatment operations
 - 5. Fiber sizing operations
 - 6. Spooling operations
- B. Graphite Fiber Line #3 with:
 - 1. Three (3) Electrically heated, oxidation ovens
 - 2. One (1) Electrically heated, low temperature, carbonization furnace
 - 3. One (1) Electrically heated, high temperature, carbonization furnace
 - 4. Surface treatment operations
 - 5. Fiber sizing operations
 - Spooling operations.
- C. Two (2) John Zink systems, thermal oxidation, furne incinerators, rated at 750,000 Btu/hr - each
- D. Three (3) standby emergency generators
 - 1. One @ 250 kW, diesel fueled
 - 2. One @ 125 kW, diesel fueled
 - 3. One @ 45 kW, natural gas fueled
- E. **Four (4) 2,500 gallon tanks (either empty or containing water)

BUILDING - 2436 - GRAPHITE FIBER PRODUCTION, LINES #4 & #5

- F. Graphite fiber line #4 with:
 - 1. Four (4) Electrically heated, oxidation ovens
 - 2. One (1) Electrically heated, low temperature, carbonization furnace
 - 3. One (1) Electrically heated, high temperature, carbonization furnace
 - Surface treatment operations
 - Fiber sizing operations
 - 6. Spooling operations
- G. Graphite fiber line #5 with:
 - Four (4) Natural gas fueled, oxidation ovens with two 2,500,000 Btu/hr burners per each oven
 - 2. One (1) electrically heated, low temperature carbonization furnace
 - 3. One (1) electrically heated-high temperature carbonization furnace
 - 4. Surface treatment operations
 - 5. Fiber sizing operations
 - Speoling operations
- H. Two (2) John Zink, thermal oxidation, fume incinerators, rated at 2,000,000 Btu/hr - each
- I. One (1) Boiler, rated at 6,300,000 Btu/hr.
- Two (2) Diesel fueled, emergency generators
 - 1. One @ 180 kw
 - 2. One @ 200 kW
- K. **Four (4) 2,500 gallon tanks (either empty or containing water)

BUILDING 2478 - SOLVENT COATING AND RESIN PREP AND HANDLING

- Four (4) Solvent coaters with associated drying towers, each consisting of
 - Creel area
 - 2. Solvated resin dip pan tank & metering room
 - Vertical drying oven
 - Spooling operations
- M. One (1) Smith Engineering, thermal oxidation, fume incinerator, rated at 13,000,000 Btu/hr, with one (1) attached auxiliary heater for returning heated air to the associated drying tower, rated at 3,000,000 Btu/hr.
- N. Two (2) Thermal oxidation, fume incinerators, rated at 9,500,000 Btu/hr each
- O. One (1) Resin warming oven
- P. One (1) Calcining oven
- Q. One (1) Blue M electrically heated drying oven
- R. One (1) Muffle furnace
- S. Two (2) Roof top furnaces, rated at 177,000 Btu/hr each
- T. One (1) Resin filmer, and resin extruder
- U. One (1) Resin extruder
- V. One (1) Cyclone solids mover with a cyclone separator
- W. One (1) 8551-7 resin mixing system
- X. One (1) Solvent-jet, container cleaning system
- Y. Solvated resin mixing system
 - 1. One (1) five (5) gallon mixing vessel
 - 2. One (1) 25 gallon mixing vessel
 - 3. One (1) 50 gallon mixing vessel
 - 4. One (1) -100 gallon mixing vessel
 - 5. One (1) 250 gallon mixing vessel

- 6. One (1) 300 gallon mixing vessel
- 7. Four (4) Pole mounted, blade/propeller type mixers
- 8. One (1) Planetary motion type mixer
- 9. One (1) 50 gallon reactor vessel
- 10. One (1) 1,100 gallon reactor vessel
- Z. Assorted tanks:
 - 1. One (1) 6,000 gallon storage tank
 - 2. Five (5) 300 gallon solvated mix storage tanks
 - 3. Four (4) 4,000 gallon process tanks
 - 4. Eight (8) 2,500 gallon process tanks
 - ** Miscellaneous portable stainless steel containers of various capacity (50 to 600 gallons)
- AA. Solvent vapor hood
- BB. Mixing vessel, and portable container vapor collection system (sealing lids with vacuum pressure, venturi type, vapor capture)
- CC. Laboratory fume hood and test oven
- DD. Two (2) 300 kW diesel fueled, emergency generators
- EE. **Water based epoxy resin coating may be used in addition to the solvent based coating.
- FF. The approved installations/processes for the resin preparation and handling shall consist of the following:
 - Cleaning of the resin mixers shall be done using Butyrolactone (BLO), or M-Pyrol (NMP) aqueous based solvent, or methyl ethyl ketone. Waste contaminated wiping materials shall be placed in a covered container and disposed in a manner that prevents volatilized solvent from being emitted into the atmosphere. Portable containers shall be cleaned using the solvent-jet cleaning device listed in condition 33-X above, or by hand. The solvent-jet cleaning device will be attached to the vapor collection system listed in condition 33-BB above.
 - The Young conveying system shall transfer powdered curing agents to the hopper. The hopper shall discharge through a feeder into the continuous mixer as a closed system.
- GG. All comfort heat sources shall be electrically powered or steam powered from existing plant services.

BUILDING - 2479 - GRAPHITE FIBER PRODUCTION, LINES #6 & #7

- HH. Eight (8) low temperature, natural gas fueled, oxidation ovens, with two (2) burners, rated at 2,500,000 Btu/hr, per each oven.
- II. One (1) low temperature, nitrogen purged carbonization furnace, with two (2) natural gas fueled exhaust ports that pre-combust the VOC prior to the furne incinerator,
- One (1) John Zink fume incinerator, rated at 300,000 Btu/hr
- KK. One (1) high temperature, nitrogen purged carbonization furnace, with one (1) burner box at the furnace entrance.
- LL. **The finishing area shall have water based wash baths:
 - 1. Ammonium bicarbonate wash bath
 - Water wash baths
- MM. The finishing area shall have a steam heated drum for aqueous based sizing drying.

- NN. One (1) electrically heated, low temperature, nitrogen purged carbonization furnace with two (2) attached natural gas fueled, exhaust ports that pre-combust the VOC prior to the fume incinerator.
- OO. One (1) electrically heated, high temperature, nitrogen purged carbonization furnace with one (1) burner box at the furnace entrance.
- PP. **Three (3) water based wash baths:
 - 1. One (1) ammonium-bicarbonate wash bath
 - 2. Two (2) water wash baths
- QQ. The following tanks:
 - 1. One (1) 5,000 gallon storage tank
 - 2. One (1) 5,000 gallon sizing storage tank
 - One (1) 300 gallon sizing mixing tank

Each tank, except the sizing-mixing tank, shall have submerged fill to prevent volatilization during filling of the tank. Each of these tanks shall contain sizing, or pre-discharge water (prior to filling with the intended material).

- RR. Three (3) diesel fueled, emergency generators
 - One (1) 100 kW
 - 2. One (1) 250 kW
 - 3. One (1) 400 kW
- SS. One (1) McGill, Inc. fume incinerator, rated at 750,000 Btu/hr
 - This fume incinerator exhaust stack shall be monitored with oxygen content sensing equipment that is capable of continuous measurement and readout of the oxygen content within the stack. The readout shall be located such that an inspector/operator can at any time safely read the output. The measurement shall be accurate within ± 5 % of full scale (0 to 10% scale) at operating conditions. The measurement need not be continuously recorded. All instruments shall be calibrated as per manufacturer's standard at least once every 180 days.
 - The following operating parameters for the incinerator shall be maintained within the indicated ranges:
 - a. The incinerator shall be operated with a minimum residence time of 1.0 second at the maximum temperature and flow rate.
 - Temperature 1,400°F minimum to 1,700°F maximum
 - c. Percent excess O2 6 % minimum on Fiberline 7
- TT. The sizing process on line #6 shall use either an aqueous base solvent, or a VOC based solvent using only methylene chloride
- UU. **Line #7 sizing process uses only aqueous based solvents.

BUILDING - 2480 - GRAPHITE FIBER PRODUCTION, LINE #8

- VV. Four (4) low temperature, natural gas fueled, oxidation ovens, with two (2) burners, rated at 1,000,000 Btu/hr, per each oven.
- WW. One (1) low temperature, nitrogen purged carbonization furnace, with two (2) natural gas fueled exhaust ports that pre-combust the VOC prior to the fume incinerator.
- XX. One (1) high temperature, nitrogen purged carbonization furnace, with one (1) burner box at the furnace entrance.
- YY. One (1) John Zink fume incinerator, rated at 3,000,000 Btu/hr
 - This fume incinerator exhaust stack shall be monitored with oxygen content sensing equipment that is capable of continuous measurement and readout of the oxygen content within the stack. The readout shall be

located such that an inspector/operator can at any time safely read the output. The measurement shall be accurate within ± 5 % of full scale (0 to 10% scale) at operating conditions. The measurement need not be continuously recorded. All instruments shall be calibrated as per manufacturer's standard at least once every 180 days.

2. The following operating parameters for the incinerator shall be maintained within the indicated ranges:

a. The incinerator shall be operated with a minimum residence time of 1.0 second at the maximum temperature and flow rate.

b. Temperature - 1,400°F minimum to 1,700°F maximum

c. Percent excess O2 - 6 % minimum

ZZ. **Three (3) - water based wash baths:

1. One (1) - ammonium-bicarbonate wash bath

2. Two (2) - water wash baths

AAA. One (1) - 400 kW diesel fueled, emergency generator

BBB. Surface treatment operations

CCC. Fiber sizing operations

DDD. Spooling operations

BUILDING - 8162 R & D FACILITY FOR NEW PROCESSES

EEE. A pilot scale fiber line with various ovens, furnaces, and process as necessary for research and development purposes, and production of specialty materials.

FFF. John Zink, or McGill, fume incinerator system rated at 750,000 BTU/hr with a 3:1 turndown ratio capability.

- 1. This fume incinerator exhaust stack shall be monitored with oxygen content sensing equipment that is capable of continuous measurement and readout of the oxygen content within the stack. The readout shall be located such that an inspector/operator can at any time safely read the output. The measurement shall be accurate within ± 5 % of full scale (0 to 10% scale) at operating conditions. The measurement need not be continuously recorded. All instruments shall be calibrated as per manufacturer's standard at least once every 180 days.
- 2. The following operating parameters for the incinerator shall be maintained within the indicated ranges:
 - a. The incinerator shall be operated with a minimum residence time of 1.0 second at the maximum temperature and flow rate.
 - b. Temperature 1,400°F minimum to 1,700°F maximum

c. Percent excess O2 - 6 % minimum

GGG. The facility shall be used only for new fiber products development, new manufacturing processes development, and specialty materials production.

HHH. Any surface treatment or sizing performed on the fibers produced shall be water based, except for the use of no more than 200 lb of VOC solvents per year. If the 200 lb quantity should ever be exceeded, the emissions shall be directed to an approved emissions control device.

** This equipment is listed for informational purposes only.

The Executive Secretary shall be notified in writing if the company is sold or changes its name.

This AO in no way releases the owner or operator from any liability for compliance with all other applicable federal, state, and local regulations including R307.

A copy of the rules, regulations and/or attachments addressed in this AO may be obtained by contacting the Division of Air Quality. The Utah Administrative Code R307 rules used by DAQ, the Notice of Intent (NOI) guide, and other air quality documents and forms may also be obtained on the Internet at the following web site:

http://www.airquality.utah.gov/

The annual emission estimations below include point source and fugitive emissions, and do not include fugitive dust, road dust, tail pipe emissions, and grandfathered emissions. These emissions are for the purpose of determining the applicability of Prevention of Significant Deterioration, non-attainment area, Maintenance area, Title V source requirements of the R307, and State Implementation Plan (Salt Lake County) limits.

The Potential To Emit (PTE) emissions for the Hexcel Fiber plant are currently calculated at the following values:

	<u>Poljutant</u>	Tons/yr
A.	PM ₁₀ NO _x	71.16
B. C.	SO ₂	11.08
D. E.	CO VOC (non-HAP)	29.00
F.	HAPs Total HAPs	600.45

The Division of Air Quality is authorized to charge a fee for reimbursement of the actual costs incurred in the issuance of an AO. An invoice will follow upon issuance of the final Approval Order.

Sincerely,

Rusty Ruby, Manager New Source Review Section TBA

CLEARING INDEX

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State of Utah

Department of Environmental Quality

> Dianne R. Nielson, Ph.D. Executive Director

DIVISION OF AIR QUALITY Richard W. Sprott Director JON M. HUNTSMAN, JR. Governor

GARY HERBERT
Lieutenant Governor

DAQ-033-2005

MEMORANDUM

TO:

Utah Air Quality Board

THROUGH:

Richard W. Sprott, Executive Secretary

THROUGH:

Cheryl Heying, Planning Branch Manager

THROUGH:

Brock LeBaron, Technical Analysis Branch Manager

FROM:

Tyler Cruickshank, Technical Analysis Meteorologist

DATE:

May 23, 2005

SUBJECT:

Propose for Public Comment: Amend R307-101-2, Definition of "Clearing

Index"

Summary:

Division of Air Quality staff seek to amend Utah's definition of Clearing Index in order to meet the following objectives:

- to minimize open burn air quality impacts;
- 2) to maximize open burn opportunities for interested parties, when appropriate;
- 3) to allow for automated dissemination of the Clearing Index; and
- to remove operational inconsistencies.

The objectives will be met by allowing the National Weather Service (NWS) to provide Clearing Index forecasts that utilize their advanced technology and meteorological expertise.

Background:

In the early 1970's, the NWS began formulating a clearing index product for DAQ's open burn rule requirements. The clearing index is a measure of the expected rate of clearing of near surface pollutants. This product consists of a daily clearing index forecast for 3 pre-defined "air basins" within the state. The pre-defined air basins represent eastern Utah lowlands, western Utah lowlands, and all land above 6000 ft. The clearing index forecasts were originally developed using the best technology that was available to the NWS at that time.

In a pre-internet era, the AMC assumed responsibility for distributing the NWS clearing indices to all interested parties by facsimile and on a pre-recorded telephone message. Today, the AMC continues to support the open burn rule requirements by providing the daily NWS clearing index values via facsimile, recorded telephone message, and on the daily air quality Internet report.

Certain approval orders include conditions that certain activities such as shutdowns for maintenance or open burning be conducted only when the clearing index is at a certain level; these conditions will be unchanged by the change in the definition.

Technological Developments:

The NWS has developed an advanced forecast system that produces clearing index forecasts for 2.5-kilometer square grids across the entire state of Utah. The system generates highly specific forecasts for all locations within the state. A user-friendly Internet interface has been built that enables the public to view forecasts for their location at the click of the mouse. The site will not be operational until the rule change is approved; DAQ staff will demonstrate it at the Board meeting.

The gridded forecast system provides superior clearing index data compared with the original 3-basin system. On many occasions, it is likely that the new clearing indices would increase the number of days that meet the Open Burn rule requirements. For example, in the western Utah lowlands, clearing indices for the St. George area of southwest Utah will no longer be affected by the typical low clearing indices experienced in the Great Salt Lake Basin to the north. The gridded system provides true representations of expected clearing indices in a given area.

Customer Consultation:

In late March, DAQ Clearing Index customers were presented with proposed changes to the Clearing Index system. DAQ requested feedback that included potential problems with the new technology. No negative feedback was received.

Staff Recommendations:

DAQ recommends that the Board propose for public comment the attached revision in R307-101-2 to replace the 3 air basin clearing index with the technologically advanced NWS gridded forecast system clearing indices.

Clearing index customers should access the clearing index through the NWS web interface.

File: PLAN\RULES\PROPOSED\Clearing Index\AQB I\AQB memo.doc

R307. Environmental Quality, Air Quality. R307-101. General Requirements.

Definitions. R307-101-2.

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"Clean Coal Technology Demonstration Project" means a project using funds appropriated under the heading "Department of Energy-Clean Coal Technology," up to a total amount of \$2,500,000,000 for commercial demonstration of clean coal technology, or similar projects funded through appropriations for the Environmental Protection Agency. The Federal contribution for a qualifying project shall be at least 20 percent of the total cost of the demonstration project.

"Clearing Index" means an indicator of the predicted rate of clearance of ground level pollutants from a given area. This number is [ealculated] provided by the National Weather Service.[from daily measurements of temperature lapse rates and wind speeds from ground level to 10,000 feet. The State has been divided into three separate air quality areas for purposes of the clearing index system: _____(1) Area 1 includes those valleys below 6500 feet above sea level and west of the Wasatch-Mountain Range and extending south through the Wasatch and Aquarius Plateaus to the Arizona border. Included are the Salt-Lake, Utah, Skull and Escalante Valleys and valleys of the Sovier River Drainage.

____(2) Area 2 includes those valleys below 6500 feet above sea level and east of the Wasatch Mountain Range. Included are Cache Valley, the Wintah Basin, Castle Valley and valleys of the Green, Colorado, and San Juan Rivers. - - (3) Area 3 includes all-valleys and areas above 6500 feet above sea level.1

"Commence" as applied to construction of a major source or major modification means that the owner or operator has all necessary pre-construction approvals or permits and either has:

- Begun, or caused to begin, a continuous program of actual on-site construction of the source, to be completed within a reasonable time; or
- (2) Entered into binding agreements or contractual obligations, which cannot be canceled or modified without substantial loss to the owner or operator, to undertake a program of actual construction of the source to be completed within a reasonable time.

45

air pollution, definitions KEY: 46

2005 47

19-2-104

INFORMATION ITEMS



State of Utah

Department of **Environmental Quality**

Dianne R. Nielson, Ph.D. Executive Director

DIVISION OF AIR QUALITY Richard W. Sprott Director

JON M. HUNTSMAN, JR. Governor

GARY HERBERT Lieutenant Governor

DAQC-808-2005

MEMORANDUM

TO:

Air Quality Board

FROM:

Richard W. Sprott, Executive Secretary

DATE:

May 10, 2005

SUBJECT:

Compliance Activities - April 2005

Annual Inspections Conducted:

A	10
SM	
B	

Initial Compliance Inspections Conducted:

_	-		
		L	
	S	M	I
	В		4
On-Site stack tes	t audits c	onducted:	2
Stack test report	reviews:		22
On-site CEM aud	dits condu	acted:	0
		i:	
Oxy fuels inspec	tions con	ducted:	0
^l Miscellaneous i	nspection	s conducted	24

Complaints received:9
VOC inspections:
Tankers
Tankers
Source Compliance Action Notice issued
Notices of Violation issued1
Compliance Advisories issued3
Settlement Agreements resolved
Penalties Collected\$2,757.60
Notices of Violations issued:

Compliance Advisories issued:

Hill Air Force Base Roadway Express, Inc. Levelor Home Fashions, Inc. Salt Lake City Department of Public Utilities

Geneva Rock Products, Inc.

Settlement Agreements Reached:

GlobeGround North America, LLC.....\$2,757.60

¹Miscellaneous inspections include, e.g., surveillance, level I inspections, complaints, on-site training, tanker vapor certifications, dust patrol, smoke patrol, open burning, etc.



JON M. HUNTSMAN, JR. Governor

GARY HERBERT Lieutenant Governar

Department of

Department of Environmental Quality

> Dianne R. Nielson, Ph.D. Executive Director

DIVISION OF AIR QUALITY Richard W. Sprott Director

MEMORANDUM

TO: Utah Air Quality Board

DAQH-0442-05

FROM:

Richard W. Sprott, Executive Secretary

DATE:

May 18, 2005

SUBJECT:

Hazardous Air Pollutant Section Compliance Activities - April 2005

	4 <u>/05</u>
Asbestos Demolition/Renovation Inspections	14
Asbestos in School Inspections	1
MACT Compliance Inspections	13
Other NESHAP Inspections	0
State Rules (Only) Inspections	0
Asbestos Notifications Accepted	85
Asbestos Phone Calls Answered	428
Asbestos Individuals Certifications: Approved/Disapproved	114/0
Company Certifications/Re-certifications	1/0
Alternate Asbestos Work Practices: Approved/Disapproved	6/0
Lead Based Paint (LBP) Inspections	6
LBP Notifications Approved	1

DAQH-0301-05

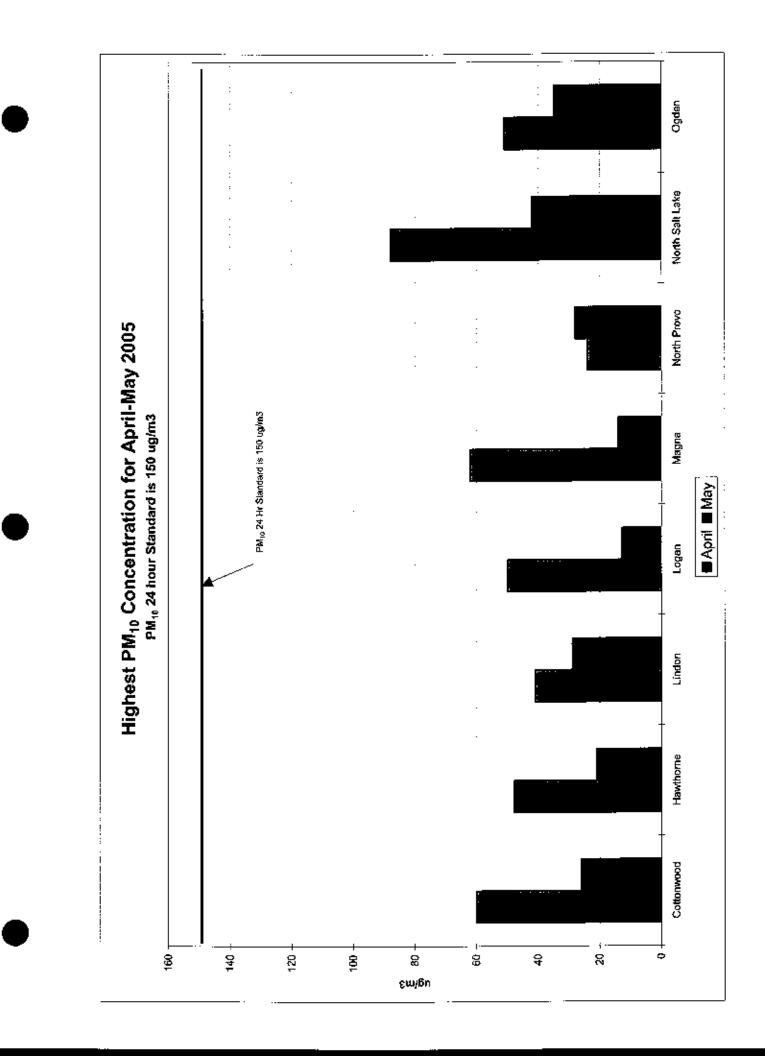
Page 2

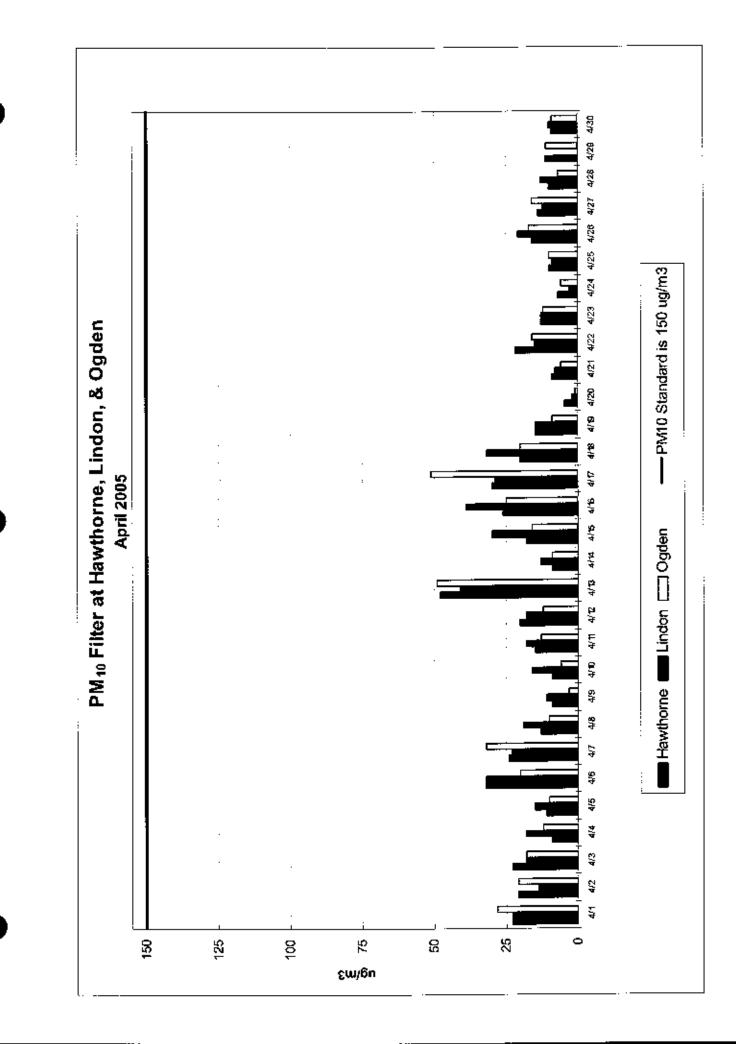
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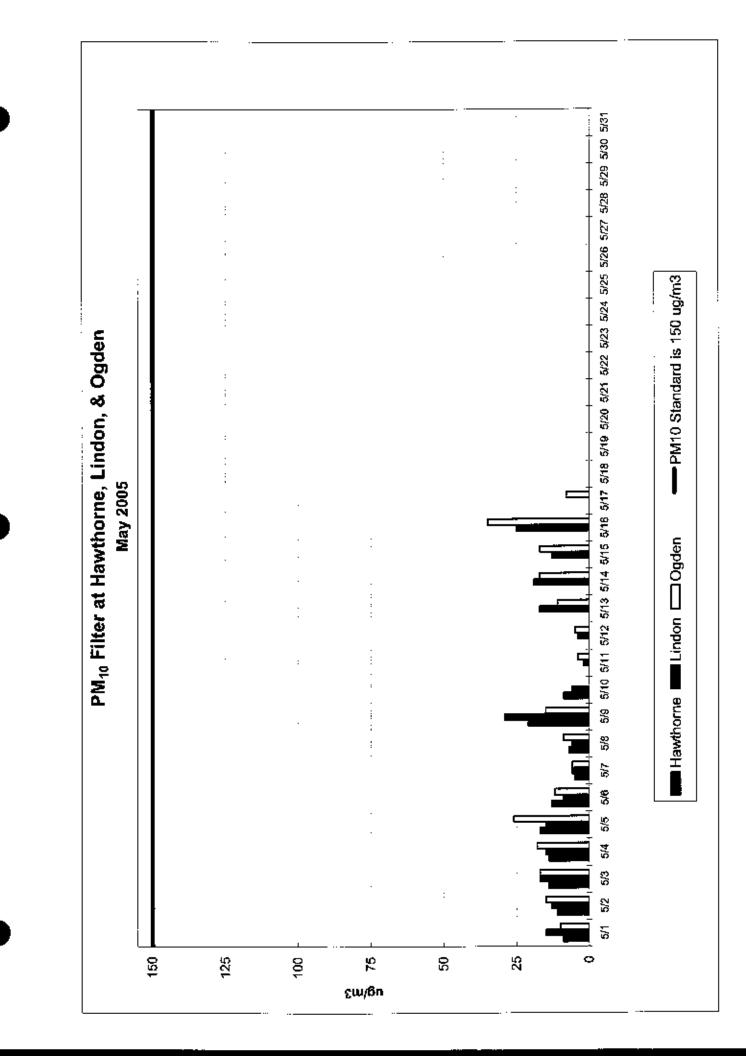
LBP Phone Calls Answered	100
LBP Letters prepared and mailed	43
LBP Courses Reviewed/Approved	0/0
LBP Course Audits	4
LBP Certifications Approved/Disapproved	15/0
LBP Company Certifications	2
Notices of Violation Issued	0
Notices of Noncompliance (NON)	0
Compliance Advisories Issued	0
SCANS (warning letters) Issued	1
Settlement Agreements Finalized	3
Penalties Agree to	\$64,648

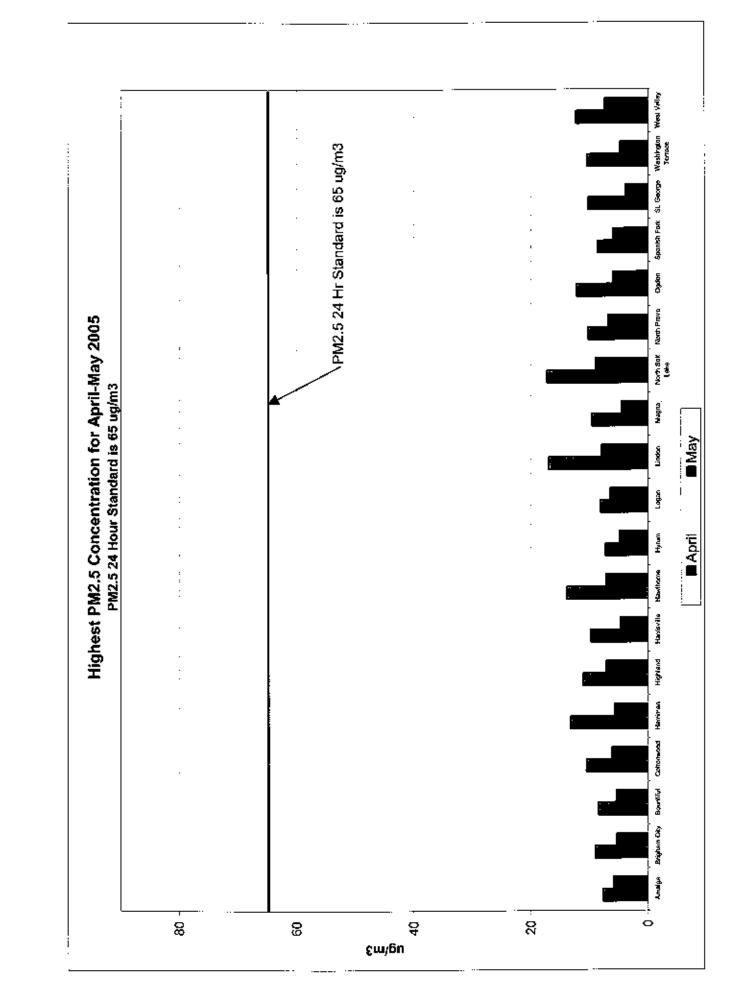
Settlement Agreement:

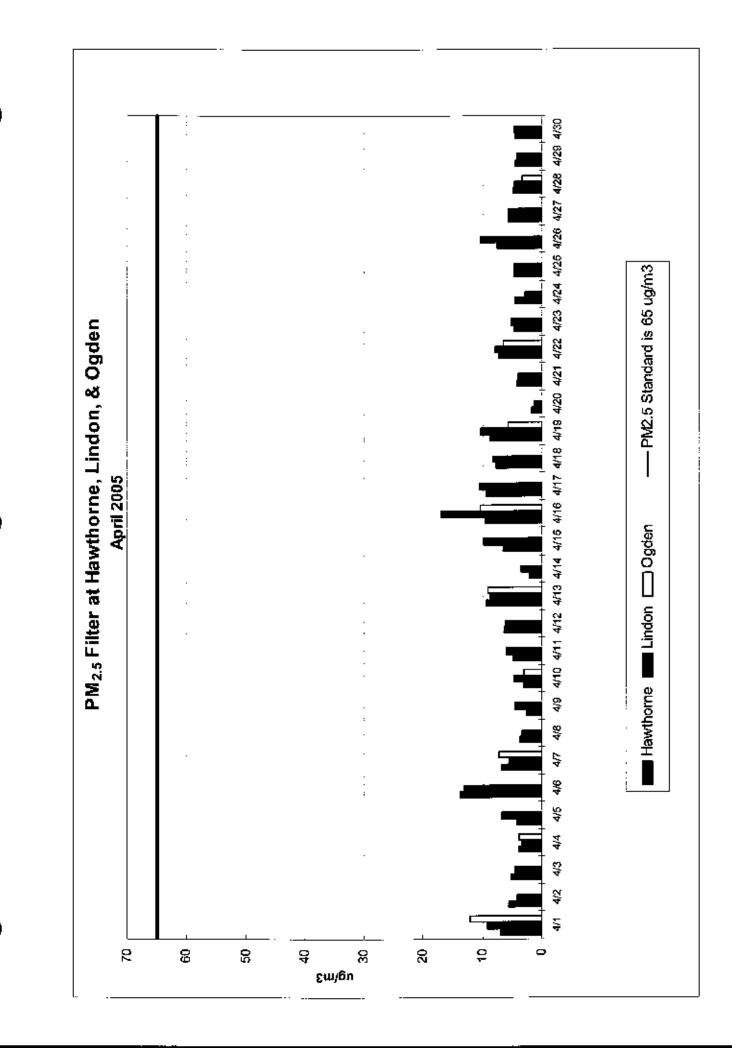
Phil Winston Construction \$ 3,226.25 AMEC 14,718.75 General Growth Properties 46,703.13

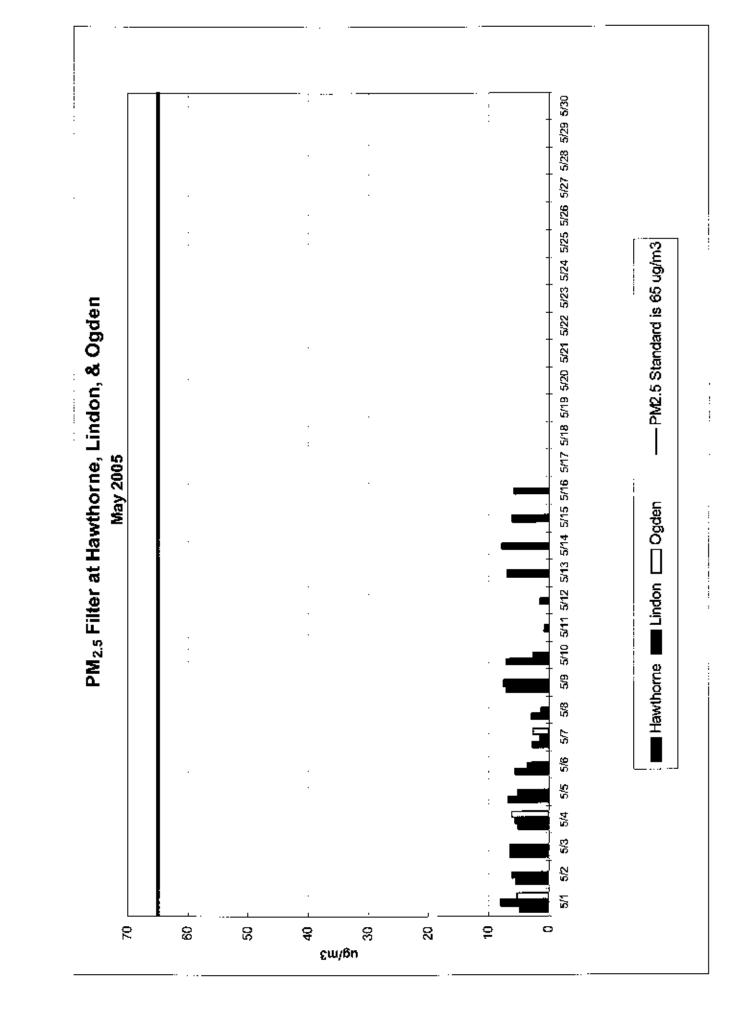












47mm Partisol: PM10 Concentration Adjusted to Sea Level (24-hr average) in Micrograms per Cubic Meter

				2005	April							
	Cottonwood	Hauthom	Unden		Magne(W)	Moab		MProvo-X	KSL	NSL-X	Ogdenž	
4/01	<u>14</u>	23	23	14	7		17		33		28	
4/02		21	14						33			
4/03		23	18						30		18	
4/04	6	9	18	4	22		12	,	18	20	4.5	
¥/05		11	15						16		10	
4/06			32						45		20	
14/ 07	. 24	24	23	33	35		15	,, 	39		32	
14/08		13	19						16		10	
4/09		9	11						10		3	
H/10	10	9	16	10	8		12	10	9	8	6	
4/11		15	16						26			
14/12		20	18						31		12	
M/13	60	48	41	50	62				58		49	
M/14		9	13						22		9	
14/15		18	30					····	31		16	
14/16	24	25	39	16	21		24	24	35	38	25	
14/17		30	29						37		51	
24/18		29	32						43		20	
74/19	14	15	 15	13			13		15		_	
14/20	***								13			
24/21		9							17			
24/22	18	72			12		15	17	28	31	45	
74/23		. 13	13						19		12	
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4/28	10	10							25	28	7	
4/29					•						11	
4/30								·····			9	

Anth Mean	19	17	81	18	21	14	15	26	25	16	
Hax 24- hr Avg	60	48	41	50	62	24	24	58	35	51	
Std. Dev	15	9	20	13	17	<u>s</u>	7		11	12	
Days of Data	10	30	29	10	11,	9	4	30	5	31	
06ys >150											
Yearly Avg	29	25	25	27	21	20	21	38	44	24	

47mm Partisol: PM10 Concentration Adjusted to Sea Level (24-hr average) in Micrograms per Cubic Meter

05/02					2005	May							
05/02	Date	Cottomwood	Hawthorn	Unden	Logan 4	Hagra(V)	Hoab	\$Provo	МРТОНО- Х	NST.	HESL-X	Option2	
05/03	05/01	13	9	15	2	5		9		17		10	
05/04 17 14 15 11 12 13 12 19 24 18 05/05 17 15 36 26 05/06 13 9 15 12 05/07 6 5 6 7 14 3 7 6 05/08 7 6 12 9 05/09 21 29 34 15 05/10 8 9 6 2 4 5 16 15 05/11 2 9 5 05/12 4 5 13 13 20 11 05/14 19 27 17 05/16 25 25 28 28 42 50 35 05/18 05/18 05/19 05/20 05/20 05/20 05/20 05/25 05/25 05/25 05/25 05/25 05/25 05/25	05/02		11	13						25		15	
05/05	05/03		14	17						30		17	
05/05	05/04	17	14	15	11	12		13	12	19	24	18	
05/07 6 5 6 7 14 3 7 6 05/08 7 6 112 9 05/08 7 6 112 9 05/08 112 9 05/08 112 115 115 115 115 115 115 115 115 115	05/05								••••	36			
05/07 6 5 6 7 14 3 7 6 05/08 7 6 112 9 05/08 7 6 112 9 05/08 112 9 05/08 112 115 115 115 115 115 115 115 115 115	05/06		13	9						15		12	
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05/09 21 29 34 15 05/10 8 5 6 2 4 5 18 15 05/11 2 9 4 5 05/12 4 5 05/12 13 13 20 11 05/14 19 17 17 17 05/15 13 19 17 05/15 13 19 17 05/15 05/17 8 05/17 8 05/17 05/12 05/25 <td>05/08</td> <td></td> <td>9</td> <td></td>	05/08											9	
05/10 8 9 6 2 4 5 16 15 05/11 2 9 4 5 6 6 6 10 10 10 11 11 11 11 11 11 12 12 17 17 17 17 17 17 17 15 13 19 17 17 17 18 19 17 17 18 19 17 18 18 19 17 18	05/09												
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05/12 4 5 05/13 15 17 13 13 20 11 05/14 19 27 17 05/15 13 19 17 05/16 25 28 28 42 50 35 05/17 8 05/18 05/19 8 05/20 25/21 8 42 50 35 05/21 95/22 95/23 95/24 95/24 95/25 05/25 05/25 95/26 95/26 95/26 95/28 05/29 05/29 95/29	05/11											•	
05/13 15 17 13 13 20 11 05/14 19 27 17 05/15 13 19 17 05/16 25 25 25 28 28 42 50 35 05/19 05/20 25/21 05/22 05/23 05/25	05/12											÷	
05/14 19 27 17 05/15 13 19 17 05/16 25 25 28 28 42 50 35 05/17 8 05/18 05/19 05/20 05/20 05/21 05/22 05/23 05/25 05/25 05/25 05/26 05/26 05/26 05/27													,,,,
05/15 13 19 17 05/16 25 25 28 28 42 50 35 05/17 8 05/18 05/20 05/21 05/22 05/23 05/25 05/25 05/26 05/26 05/26 05/26 05/26	05/14				_					Z 7		17	
05/16 25 25 28 42 50 35 05/17 8 05/18 05/20 05/21 05/22 05/23 05/25 05/25 05/25 05/26 05/26 05/29 05/30	05/15									19			
05/17 8 05/18 05/19 05/20 05/21 05/22 05/23 05/24 05/25 05/25 05/26 05/27 05/28 05/29	05/16	26		25				28	28	42	50	35	
05/18 05/20 05/21 05/22 05/23 05/25 05/25 05/25 05/26 05/26 05/20 05/20													
05/19 05/20 05/21 05/22 05/23 05/25 05/25 05/25 05/26 05/27 05/28 05/29	05/18							*,					
85/21 05/22 05/23 05/25 05/26 05/27 05/28 05/29	•												
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05/23 05/24 05/25 05/26 05/27 05/28 05/29	•												
05/25 05/26 05/27 05/28 05/29 05/30	•												
05/26 05/27 05/28 05/29 05/30	-												
05/27 05/28 05/29 05/30	_												
05/28 05/29 05/30	-												
05/29 05/30	-												
05/30	-												
05/31	-												
****	05/31	l .				•							

Arith Mean ,	14	12	13	e	10	11	15	22	30	14	
Max 24- lat Avg	26	21	29	13	14	28	28	42	50	35	
Std. Dev	7		7	4	5	9	12	10	18	8	
Cays of Cata	6			5	3	5	3	15	3	15	
Days >150											
Yearly Avg	28	zs	25	27	21	20	21	38	44	24	

PM2.5 Actual Concentration (24-hr average) in Micrograms per Cubic Meter 2005 Arell

				_		ur		ΗV		200:		<u>_Abxl</u> 4. X		H LX			N2	NP:	02	SF.	SW	ŴΊ	WX	w	vx	
Dake	AG_	- BR	BV		₩	HE	HG						-	_	7.		11,3	80	12.2	6.8	4,6	10.	4	7.8		
4/01	7.2	7.7	8.3	- 6	3	5,2	4.6	9.2	6.9	5.3		3 		9.3			8.7	<u> </u>			· · ·					
1/02					<u>:</u> .		٠.	_	5.5.		7.	·	_	43	<u> </u>	_	6.8	:							_	
1/03		<u>.</u>							5.3		3.	<u> </u>		4.5 3.4 · 3.	2 1	.3	5.3	3.6	3.8	3.	5 5.0	3.	2 3.4	4.2	· 4.7	
J/04	2.2	2.3	3.2	:	<u>17</u>	3.0	\$3	3.2		2.7	<u> </u>	<u>.</u>	<u>.</u>	6.8		_	5.0			- :	-	-			:	
/05		<u> </u>	<u> </u>				<u> </u>	· 	4.3			<u> </u>			- .		17.3	13. :	:	•	: :				.:	'
/06		<u>'</u>	<u>} </u>				<u> </u>		13.9	_			4.4	13.1 5.5		.9	9.7	6:0			:-	5.	7	6.5		ı
/07	4.7		5.		5.4	6.2	5,9	<u>. </u>		: 4.5			56			-	4.7	: 3**	:			· .	ge.	2. 7	.;	•
V08	_	· · · :	. <u></u>	···	<u>'</u>			<u>:</u>	3.7	`-	_		<u>. • • · · · · · · · · · · · · · · · · · </u>			_	3.0	· · ·	_	-	 -	—÷	·			
/09	_	· · ·	<u></u>	<u>.</u>	·			: <u> </u>	2.5				2.7	4.6		2.5	3.1		<u></u>	, ,	2.5	-	8 3.6	·		1
/10	2.7		.` 3,		3.0	2.3	3.1	•		§ 3.1	<u> </u>	io :		<u>.·</u>	- 3	-	7.9			_	<u> </u>		: :	<u>:</u> :	. i	•
/11		: [1] .					<u> </u>		49				5.4	6.0	- :	: <u>: : \</u>	9.7	<u>: ·</u>	<i>/∆</i> **			:// \	· · · · · · · · · · · · · · · · · · ·	.: :	· ÷	-
1/12			<u> </u>				123	_	6.4		-	33	5.8	_	-	<u>.</u>	_	7.9	''.		10 و	2 9	:2	11		-
1/13	7.7	9,1	٠.			13.3		:: :		4.:		8/2 <u>:</u>	7.7	8.6		9.7	\$.3		<u> </u>	<u> </u>	iiiki		3.55	1	···	-
4/14	_	1. 1.	· ===				_/_ <u>/</u> /		2.5	==		25T	2.1	3.5	- :	<u> </u>	9.2		_			- ::	AND NEX	Ţ	i.	-
4/15	_	7.15	ij.	<u> </u>	(43)	<u>:</u>		<u>୍ୟ_</u>	. 200	. :	_	*32	4.7	93	- 3.			100		_	57 9		LB(9.	_	3 12	.4
4/16	5.2	62	.2:2	.7		11.				<u> </u>		6.5	6.2	174		7.5			···-					-:-	. <u> </u>	-
M/17	_					-		• '	9.	e,		7.5	72	10.7	- :	<u>::</u>	11.7	3 - 1772	<u>,. ::</u>		:: <u>(:1</u> ::::::-	5 <u></u>	·/-:			-
		1,7370			yense												8.1	n s 🗹	2				0.00)	
04/1	B _		_		<u>; </u>			<u> </u>		IJ.		3.7.	.			·		0.5 <u>*</u> 3.7	9.5	5.8	68	5.2	5,9		6.5	
04/1	9 4.	a *	9	R.1		٠.				87 %		2.0				5.6	<u> </u>									_
04/2	o _		479		୍ତି			33				2.0			_	· ·	• • • •		<u>े देशके</u> राजनी		<u>()</u> .:53		Z,474	_	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	_
04/2	1 _		1		1: 1			· · · · ·				2.7	<u> </u>		: :	···	 -			6.5		7.4	5.9	5.\$	76	7.
04/2	2 3		7	4.8		1000 FO		13		12%	4.5	6		P	<u>. </u>		<u> </u>		2500	18.3	7.5 200 1497 (1)		19880	_		_
04/2	3		NA NA			21			<u></u>	130		\1.6			· _	<u>::::</u>	<u></u>	5.8	4/4		<u> </u>		<u> </u>		· · ·- · ·	
04/2	4		943 33		A 81 2	M			:	46 .c		3.3	1.4		<u>:</u>	:. ;:	· · · · ·	4.4 🦿	<u></u>		3.5	_		_	6.1	_
04/	25 7		9				4.6	ŧ.0	4.2	47	4.4	159			_	<u> </u>		 :	4ď°		-			_		_
04/	26		7 9 1 7 2 4		0.1	<u></u>		::\ <u>`</u>		7.6.		6.5	ş	7 104	<u>. </u>	::	. ·	9.5	700	_	<u>. 7-75</u>				<u> </u>	_
04/	27					: : :		;· `		5.8		5.2		.05.7	<u> </u>	•	_	8.2	<u> </u>			_	3-2	_	6,1	
04/	26 1	1.2	2.2	4,5	5.	4 :::	4,5	42	2.7	49	L.5		2	.0 43	4.9	- fi	<u> </u>		4.6	3.4	5.0	:	3-4	3-6	D, L	
04/	29									1.5		34	8, 3	1 42		_		7.2	·		- -	_	-			_
04/	- nc									45		. 31	8	4.8				5.5	<u>.</u>	<u> </u>						_

Arith Mean	4.6	5.0	5.7	6.2	6.5	5.8	5.6	5.8	. 4.4	4.6	4.3	6.5	+5	5.6	7.9	6.6	6,8	5.8	6.2	6.5	5.0	7.6	6.4
Max 24- hr Avg	7.7	9.1	8.5	10.6	13.3	มนู	9.8	139	ر د م	8.2	; 7. 7	17.0	5.3	9.7	17.3	103	12.2	8.7	. 10.2	10.4	9.1	12.3	L2-4
Std.Dev	3 3	2.4	7.2	2.5	3.5	2.5	2.8	2.6	1.7	1.7	1,7	3.4	. 1.1	2.2	3.4	23.	3.2	1.9	2.8	28	2.5	2.6	3.7
Days	10	10.	10	. 9	10	10	10	39	10	28	24	30	3	10	29	10	9	. 9	9.0	9	5	9	_5
Data . Yearly Mcan	18.9	8.7	11.6	12.4	9.0	9.3	9.8	12.3	15.3	15.0	13.5	10.8	LG.1	9.9	15.2	10.5	11.9	. 	7,3	10.1	10.4	12.6	11.2

PM2.5 Actual Concentration (24-hr average) in Micrograms per Cubic Meter

Date	AG	BR	BV	CW-	HE	HG.	HV	HW	HY	L4	X4	UN	LΧ	MG	N2	.NP	02	5	SW	WT.	WX	, WV.	w
05/01	4.L	4.9	5.0	6.2	 5.8	7.2	4.7	4.8	4,9	5.8	5.D	0.8	. —	4.6	4.3	6.0	5.4	- 5.2	3.9	4.8	·· ·		•
		***	J.4				***	5.5		5.1	5.7	6.2			6.5			_ .					_
05/02														.				•. •					
05/03						<u>.</u>		6.5		6.5	5.6	6.5			B.4			·					
05/04	3.9		5.5	5.7	4.2	5.4		5.2	3.3	4.3	3.7	5.6	5.8	4.1	6.3	5.8	6.1	5.£		4.6	4.6	7.5	5.3
05/05		٠.		· · ·				6.8		· :	4,6	5.2			7.3							<u> : : : : : : : : : : : : : : : : : : :</u>	
05/06								5.7		45	8.8	3.7			6.4				· 			٠.	
05/07			2.3	1.9		14	4.5	2.9	1.8	2.5	2.2	LS		1.7	33	2.0	2.7	1.7		25		2.7	
05/08		. ::1		(·:		3.5		-34	3.0	1.4		.:.	, 4.0			(1) <u>(1)</u>	:	<u>.</u> ;		:.·.	<u> </u>
05/09		';	_	j 10 16.		- :		7.1		4.4	3.4	7.7			8.6			- '}'	_) · ·		٠.	
05/10	1.3	Li	3.4	4.2	2.9	1.5		7.2	1.5	1.7	1.3	2.7	3.3	1.9	6.0	3.3		3.0		77.	:		3.4
05/11		1701				102		0.0		11	1.6	0.8	÷		3.9	100	:		.'	. '	·		:
05/12		7,370		47,7%		10.00	-	11.4913		17		1.5	;	4,4,	3.7	: / ^	.,	840	:		:	!	
05/13	_	2.9	3.9	5.6	4.6	49		48	3.0	39		7.0	: :	.:	7.5	5.9		6.0	:	. 45°		i. y :	.i
05/14		AŅ.				10200		7 67 (KI) - 27 47 1		W2220	6.2	7.8	./	7:	. 8.9		` . <u></u>	7 :	·	7.77	1	;:	
05/15		17.50		3.8	1			7000		6.0		6.2	-	744 7	7.6	WE	4 5	4.5		100) }	177	-
05/16	5.9	5.4		5.6		54				,		5.9	6,4	15.	9.0	6.9	÷	5.3		473.		1 (1) (1) 1 (2) (3)	

00/17
05/18
05/19
05/20
05/21
05/22
05/23
05/24
05/25
05/26
05/27
05/28
05/29
05/30

05/31

Arith Mean Max 24- hr Avg				4.9 6.2			• • • • • • • • • • • • • • • • • • • •	****						,									
Std.Dev																						2.5	1.3
Days Data	4	4	5	6	5	6.	2	16	6	14	15	16	. 3	3	17	6 .	3	5	1.0	3	1	3.	2
Yearty Mean	17.6	8.5	11.2	12-3	8.7	9.0	9.7	12.0	6.6	14.4	13.0	10.4	9.8	9.7	14.4	10.0	11.7	8.3	7,3	9.9	10.3	12.3	10.9